

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

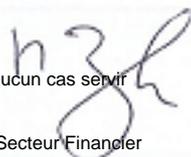
**1<sup>st</sup> March 2021**

**DCM SYSTEMATIC FUND SICAV-SIF**

*Investment company with variable capital – Specialised Investment Fund incorporated  
under the form of a corporate partnership limited by shares*

*(Société d'investissement à capital variable - Fonds d'investissement spécialisé sous la  
forme d'une société en commandite par actions)*

**Luxembourg**



**APPLICATIONS FOR SUBSCRIPTION ARE RESERVED TO ELIGIBLE INVESTORS WHO, ON THE BASIS OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, THE ARTICLES AND THE SUBSCRIPTION AGREEMENT, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE FUND. ACCORDINGLY, IT IS THE RESPONSIBILITY OF PARTICIPATING INVESTORS TO DETERMINE WHETHER THEIR RIGHTS AND OBLIGATIONS AS MEMBERS ARE SUITABLE FOR THEM.**

**By accepting this Confidential Private Placement Memorandum (the Memorandum) the recipient agrees to be bound by the following:**

This Memorandum is submitted on a confidential private placement basis to a number of Eligible Investors who have expressed an interest in investing in DCM Systematic Fund SICAV-SIF, a Luxembourg *fonds d'investissement spécialisé* (specialised investment fund) organised as a *société d'investissement à capital variable* (investment company with variable capital) and formed as a *société en commandite par actions* (corporate partnership limited by shares) in accordance with the 2007 Act (the **Fund**). Unless otherwise defined, capitalised terms used throughout this Memorandum will have the meanings ascribed to such terms in the Section "Definitions" of this Memorandum.

This Memorandum has been prepared solely for the consideration of prospective Eligible Investors in the Fund and is circulated to a limited number of potential Eligible Investors on a confidential basis solely for the purpose of evaluating an investment in the Fund. **This Memorandum supersedes and replaces any other information provided by the General Partner and its representatives and agents in respect of the Fund.** By accepting this Memorandum and any other information supplied to potential Investors by the General Partner in respect of the Fund the recipient agrees that such information is confidential. Neither it nor any of its employees, directors, officers or advisors will use the information for any purpose other than for evaluating an investment in the Fund or divulge such information to any other party and acknowledges that this Memorandum may not be photocopied, reproduced or distributed to others without the prior written consent of the Fund. Each recipient hereof by accepting delivery of this Memorandum agrees to keep confidential the information contained herein and to return it and all related materials to the General Partner if such recipient does not undertake to purchase any of the Shares without retaining any copies. The information contained in the Memorandum and any other documents relating to the Fund may not be provided to persons (other than professional advisors) who are not directly concerned with any Investor's decision regarding the investment offered hereby.

By accepting this Memorandum, potential Investors in the Fund are not to construe the contents of this Memorandum or any prior or subsequent communications from the General Partner, the Managers, the Fund Service Providers or any of their respective officers, members, employees, representatives or agents as investment, legal, accounting, regulatory or tax advice. **Prior to investing in the Shares, potential Investors should conduct their own investigation and analysis of an investment in the Fund and consult with their legal advisors and their investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Shares and arrive at an independent evaluation of such investment, including the applicability of any legal sales or investment restrictions without reliance on the General Partner, the Managers, the External AIFM, the Fund Service Providers or any of their respective officers, members, employees, representatives or agents.** Neither the Fund, the General Partner, the Managers, the Fund Service Providers nor any of their respective officers, members, employees, representatives or agents accepts any responsibility or liability whatsoever for the appropriateness of any potential Investors investing in the Fund. Prospective Investors are urged to request any additional information they may consider necessary or desirable in making an informed investment decision. Each prospective Investor is encouraged, prior to the consummation of their investment, to ask questions of, and receive answers from the General Partner and the Managers concerning the Fund and this offering and to request any additional information in order to verify the accuracy of the information contained in this Memorandum or otherwise.

**The text of the Articles is integral to the understanding of this Memorandum. Potential Investors should review the Articles carefully. In the event of any inconsistency between this Memorandum and the Articles, the Articles will prevail.**

Prior to purchasing Shares, potential Investors should obtain a copy of the Subscription Agreement which contains, inter alia, representations on which the Fund may accept a potential Investor's subscription. The Articles, the Fund Service Providers Agreements, the Subscription Agreement and related documentation are

described in summary form herein; these descriptions do not purport to be complete and each such summary description is subject to, and qualified in its entirety by reference to, the actual text of the Articles, the Fund Service Providers Agreements, the Subscription Agreement and related documentation, including any amendment thereto.

Information and documents set out in article 21 of the 2013 Act are made available to Investors prior to their investment in the Fund, *inter alia*:

- the latest Annual Report;
- A description of the Fund's liquidity risk management, the Valuation Policy and the identification of any conflicts of interest that may arise from delegations of the External AIFM's functions;
- a description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with the AIFM Rules (or a confirmation that no such arrangement exists);
- the latest Net Asset Value of the relevant Class within the relevant Sub-fund; and
- the historical performance of the Fund (and the relevant Sub-fund).

In addition, the Fund's KIDs are made available to non-professional investors prior to their investments.

## **Marketing**

The Fund is an AIF, which is externally managed by APIS ASSET MANAGEMENT S.A. (previously iW Partners SA) as the Fund's external AIFM (the **External AIFM**). The External AIFM is authorised in Luxembourg as an AIFM under the 2013 Act. The External AIFM may therefore, and reserves the right to, market the Shares to Well-Informed Investors (including Professional Investors) in Luxembourg. The External AIFM will be in charge of the distribution or of organising the distribution of the Shares of the Fund and will make or procure such notifications for the purpose of marketing the Shares of the Fund in other EEA Member States to Professional Investors pursuant to article 30 of the 2013 Act as may be requested by the Fund (or a Distributor or a sub-distributor). The External AIFM may also be authorised to market the Shares to Retail Investors in EEA Member States allowing AIFs to be marketed to Retail Investors in their territory, subject to applicable local requirements, and only to the extent these Retail Investors are Well-Informed Investors within the meaning of article 2 of the 2007 Act. Prospective Investors from any EEA Member States who are Retail Investors should inform themselves as to the legal requirements applicable to the subscription or purchase of Shares by Retail Investors in their jurisdiction.

No action has been taken which would permit a public offering of the Shares or possession or distribution of information in any non-EEA jurisdiction where action for that purpose would be required. The Memorandum and any other documents relating to the Fund do not constitute an offer or solicitation in any jurisdiction in which an offer or solicitation is not authorised, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such an offer or solicitation. Any representation to the contrary is unlawful.

**Persons into whose possession of this Memorandum comes must inform themselves about and observe any legal restrictions affecting any subscription of Shares. It is the responsibility of any persons wishing to subscribe for Shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective Investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of Shares, and any foreign exchange restrictions that may be relevant thereto.**

The Shares have not been registered under the US Securities Act of 1933, as amended (the **US Securities**

**Act**) or the securities laws of any state or political subdivision of the United States, and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any US Person, except pursuant to an exemption from, or in a transaction not subject to the requirements of, the US Securities Act and any applicable US state securities laws. The Fund has not registered and does not intend to register under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**) in reliance on the exemption from such registration pursuant to Section 3(c)(7) thereunder. Accordingly, the Shares are being offered and sold only: (i) outside the United States to persons other than US Persons in offshore transactions that meet the requirements of Regulation S under the US Securities Act; or (ii) to US Persons who are: (A) "accredited investors" (as defined in Rule 501 of Regulation D promulgated under the US Securities Act); (B) "qualified purchasers" (within the meaning of Section 2(a)(51) of the Investment Company Act); and (C) "qualified eligible persons" (as defined in CFTC Rule 4.7 for non-natural persons and CFTC Rule 4.7(a)(2) for natural persons). Each applicant for the Shares must certify that it is: (a) not a US person as defined in Regulation S under the US Securities Act and CFTC Rule 4.7 and not a US resident within the meaning of the Investment Company Act; and (b) a person that is: (A) an "accredited investor" (as defined in Rule 501 of Regulation D promulgated under the US Securities Act); (B) a "qualified purchaser" (within the meaning of Section 2(a)(51) of the Investment Company Act); and (C) a "qualified eligible person" (as defined in CFTC Rule 4.7 for non-natural persons and CFTC Rule 4.7(a)(2) for natural persons).

An investment in the Fund will involve significant risks and there can be no assurance as to positive returns on any of the Fund's Investments or that there will be any return of invested capital. **As (unless otherwise stated in respect of a particular Sub-fund in that Sub-fund's Special Section) the Sub-funds do not have a finite term, potential Investors should be aware that they may be required to bear the financial risk of their investment for a significant period of time because redemption and Transfer of Shares may be either prohibited or subject to substantial restrictions, depending on the terms of the relevant Sub-fund and Shares may be subject to other restrictions on transfer under the securities laws, rules and regulations of other countries and jurisdictions.** Additionally, there will be no public market for the Shares. Accordingly, Investors should have the financial ability and willingness to accept the risks of investing in the Fund (including, without limitation, the risk of loss of their entire investment) and accept that they will have recourse only to the assets of the Sub-fund in which they invest as these will exist at any time.

Certain statements contained in this Memorandum are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the markets in which the Fund will operate, and the beliefs and assumptions of the General Partner. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "forecasts", "projects", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Among the factors that could cause actual results to differ materially are the general economic climate, inflationary trends, interest rate levels, the availability of financing, changes in tax and corporate regulations and other risks associated with the ownership and acquisition of investments and changes in the legal or regulatory environment or that operation costs may be greater than anticipated.

An investment in the Shares involves significant risks and there can be no assurance or guarantee as to positive return on any of the Fund's Investments or that there will be any return on invested capital. Potential Investors should in particular refer to Section 26 of the General Section. The investment objectives of the Sub-funds are based on a number of assumptions which the Fund believes reasonable, but there is no assurance that the investment objectives of the Sub-funds will be realised.

The General Partner has taken all reasonable care to ensure that the information contained in this Memorandum is accurate as of the date of this Memorandum (or such other date as stated herein). Other than as described below, neither any of the Managers, the General Partner nor the Fund, has any obligation to update this Memorandum.

Under no circumstances should the delivery of this Memorandum, irrespective of when it is made, create an implication that there has been no change in the affairs of the Fund since such date. The General Partner reserves the right to modify any of the terms of the offering and the Shares described herein. This Memorandum may be updated and amended by a supplement and where such supplement is prepared this Memorandum will be read and construed with such supplement.

In accordance with article 54 of the 2007 Act, the essential elements of the Memorandum must be up to date when new securities are issued to new Investors.

No person has been authorised to give any information or to make any representation concerning the Fund or the offer of the Shares other than the information contained in this Memorandum and any other documents relating to the Fund, and, if given or made, such information or representation must not be relied upon as having been authorised by the General Partner or any Fund Service Providers.

Any translation of this Memorandum or of any other transaction document into any other language will only be for convenience of the relevant Investors having requested such translation. In the case of any discrepancy due to translation, the English version of the Memorandum and of any other transaction document will prevail.

### **Data protection**

The Fund may collect information from Investors or prospective Investors from time to time in order to develop and process the business relationship between the Investors or prospective Investor and the Fund, and for other related activities.

In addition, all personal data of Investors contained in any document provided by such Investors and any further personal data collected in the course of the relationship with the Fund may be collected, recorded, stored, adapted, transferred or otherwise processed and used (hereinafter “processed”) by the Fund or the General Partner. Such data shall be processed for the purposes of account administration, anti-money laundering identification and the development of the business relationship. To this end, data may be transferred to companies appointed by the Fund or the General Partner, to support the Fund’s activities.

By completing and returning an application form, Shareholders consent to the use of personal data by the Fund. In addition, each Investor, by signing the subscription agreement, gives its agreement to such processing of his personal data, as provided by the applicable regulatory framework on the protection of the persons with regard to the processing of personal data.

Further details on the terms and conditions on the processing of data are available upon request and free of charge at the registered office of the Fund.

The Fund, acting as data controller, collects, stores and processes by electronic or other means the data supplied by the Investors at the time of their subscription for the purpose of fulfilling the services required by the Investors and complying with its legal obligations.

Any data collected by the Fund are to be processed in accordance with the data protection law applicable to the Grand Duchy of Luxembourg and the Data Protection Law.

The Investors may, at their discretion, refuse to communicate the Personal Data to the Fund. In this case, however, the Fund may reject his request for subscription of Shares in the Fund.

In particular, the data supplied by Investors is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to Investors, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules.

The Fund may disclose personal data to the AIFM, its agents, service providers or if required to do so by force of law or regulatory authority. The Fund can delegate to another entity located in the European Union (the General Partner, the AIFM, the distributor, the administrative agent, the investment manager (if any), or the registrar agent) the processing of the Personal Data. The Fund may also transfer Personal Data to third parties such as governmental or regulatory agencies including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations.

Each Investor has the right to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her Personal Data;
- ask for erasure of his/her Personal Data;
- ask for Personal Data portability under certain conditions.

Although, the personal data is not intended to be used for marketing purposes, each investor also has the right to object to the use of his/her Personal Data for marketing purposes.

The Shareholder may exercise the above rights by writing to the Fund at its registered office.

The Shareholder also acknowledges the existence of his/her right to lodge a complaint with the National Commission for Data Protection.

Personal Data shall not be retained for longer than the time required for the purpose of its processing, subject to the legal limitation periods.

### **Notices to Investors in Switzerland**

Under the Swiss Collective Investment Schemes Act dated 23 June 2006 (the **CISA**), the offering and sale to investors other than qualified investors of units in a foreign collective investment scheme in or from Switzerland are subject to authorisation by the Swiss Financial Market Supervisory Authority – FINMA and, in addition, the offering to certain unregulated qualified investors of interests in such collective investment schemes may be subject to, inter alia, the prior appointment of a representative and a paying agent in Switzerland. Foreign collective investment schemes for these purposes include, inter alia, companies and other entities or schemes organised outside Switzerland (including those created on the basis of a collective investment contract or a contract of another type with similar effect) created for the purpose of collective investment, whether closed or open-end. There are reasonable grounds to believe that the Fund would be characterised as a foreign collective investment scheme under the CISA. Since the Fund has not been registered with the Swiss Financial Market Supervisory Authority - FINMA for offering to investors other than qualified investors, any offering of the Shares, and any other form of solicitation of Investors in relation to the Fund (including by way of circulation of offering materials or information, including this Memorandum), must be restricted to Investors who are qualified investors as defined in the CISA and its implementing regulations. Failure to comply with the above-mentioned requirements may constitute a breach of the CISA.

Each Investor is informed that the Fund has appointed a representative and a paying agent in Switzerland in accordance with article 123 of the CISA.

The Sub-fund distributed in Switzerland is DCM Systematic Fund SICAV-SIF – Diversified Alpha.

## **Information for investors in Switzerland**

### **1. Qualified investors**

The Fund may only be offered in Switzerland to qualified investors within the meaning of Art. 10 Para. 3, 3bis and 3ter CISA.

### **2. Representative**

The representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zürich, Switzerland (the **Swiss Representative**).

### **3. Paying agent**

The paying agent in Switzerland is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

### **4. Place where the relevant documents may be obtained**

The basic documents of the fund as well as the annual and, if applicable, the semi-annual reports may be obtained free of charge from the Swiss Representative.

### **5. Payment of retrocessions and rebates**

The Fund respectively the External AIFM and its agent may pay retrocessions as remuneration for offering activities in respect of the Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- (a) Shareholder services which may include and without limitation:
  - (i) establishing and maintaining segregated or omnibus account on behalf of Investors in the Fund;
  - (ii) processing, purchase, exchange and redemption of Shares;
  - (iii) processing dividend and offering payments;
  - (iv) providing periodic custody and transaction statements;
  - (v) making available the Memorandum and other communications (e.g. announcements of annual general meetings, notifications) available to Investors;
  - (vi) responding to shareholder services provided by the Fund Service Providers;
  - (vii) providing sub-account services with respect to Shares beneficially owned by Investors;
  - (viii) processing as custodian reports and proxy statements issued by the Fund;
  - (ix) where legally permitted responding to the Fund's requests for information concerning Investors Share transactions.
- (b) Intermediary services which may include and without limitation:
  - (i) identifying and introducing Investors to the Fund;

- (ii) performing AML and KYC checks on Investors in compliance with AML/CTF legislation;
- (iii) acting as a centralised ordering hub providing Investors access to Funds and centralising orders from investors;
- (iv) calculating, collecting and allocating retrocession payments for the accounts of Investors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

The recipients of the retrocessions must ensure transparent disclosure and inform Investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the Fund to the Investor concerned.

In the case of distribution activity in or from Switzerland, the Fund respectively the External AIFM and its agents, may upon request, pay rebates directly to Investors. The purpose of rebates is to reduce the fees or costs incurred by the Investors in question. Rebates are permitted provided that:

- (i) they are paid from fees received by the Fund respectively the External AIFM and therefore do not represent an additional charge on the Fund's assets;
- (ii) they are granted on the basis of objective criteria;
- (iii) all Investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Fund respectively the External AIFM are as follows:

- (i) the volume subscribed by the Investor or the total volume they hold in the Fund or, where applicable, in the product range of the promoter;
- (ii) the amount of the fees generated by the Investor;
- (iii) the investment behaviour shown by the Investor (e.g. expected investment period);
- (iv) the Investor's willingness to provide support in the launch phase of the Fund.

At the request of the Investor, the Fund respectively the External AIFM must disclose the amounts of such rebates free of charge.

## **6. Place of performance and jurisdiction**

In respect of the Shares offered in and from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss Representative.

## **7. State of origin**

The State of the origin of the Fund is Luxembourg.



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## GENERAL INFORMATION

### Registered Office

15, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### General Partner

DCM Systematic GP, S.à r.l.  
22 rue de l'Industrie  
L-8399 Windhof  
Grand Duchy of Luxembourg

### Managers of the General Partner

- Jérôme Callut, Fund Manager, APIS ASSET MANAGEMENT S.A.
- Stéphane Bonneau-Popot, data scientist performing services for the benefit of DCM Systematic Advisors S.A.
- Jean de Courrèges d'Ustou, independent director
- Gaëtan Maraite, DCM Systematic Advisors S.A.

### External AIFM

APIS ASSET MANAGEMENT S.A.  
22 rue de l'Industrie  
L-8399 Windhof  
Grand Duchy of Luxembourg

### Depository

Pictet & Cie (Europe) S.A.  
15A, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Central Administration, Paying Agent, Registrar and Transfer Agent and Domiciliary Agent

FundPartner Solutions (Europe) S.A.  
15, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Auditor

Ernst & Young S.A.  
35E, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## DEFINITIONS

In this Memorandum, the following terms have the following meanings:

**2007 Act** means the Luxembourg act of 13 February 2007 relating to SIFs (as defined below), as may be amended from time to time.

**2010 Act** means the Luxembourg act of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.

**2013 Act** means the Luxembourg act of 12 July 2013 on alternative investment funds managers, as may be amended from time to time.

**2016 Act** means the Luxembourg act of 23 July 2016 on reserved alternative investment funds. **Accumulation Class** means a Class for which it is not intended to distribute dividends, as set out in the relevant Special Section.

**Affiliate** of any Person means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person (except in, all cases, any company or entity in which the Fund holds an Investment) and "**affiliated**" should be construed accordingly.

**AIF** means an alternative investment fund within the meaning of the AIFM Directive and of the 2013 Act.

**AIFM** means an alternative investment funds manager within the meaning of the AIFM Directive.

**AIFMD-CDR** means Commission Delegated Regulation 231/2013 of 19 December 2012 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

**AIFM Directive** means Directive 2011/61/EU of the European Parliament and the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and regulations (EC) No 1060/2009 and (EU) No 1095/2010.

**AIFM Fee** means, in respect of each Sub-fund, the fee payable out of the assets of that Sub-fund to the External AIFM, as further described in the relevant Sub-fund's Special Sections.

**AIFM Rules** means the AIFM Directive, the AIFMD-CDR, the 2013 Act as well as any implementing measures of the AIFM Directive or the 2013 Act.

**Alternative Investment Fund Management Agreement** means the alternative investment fund manager services agreement entered into between the Fund and the External AIFM, as may be amended from time to time.

**Annual Report** has the meaning set out in Section 15 of the General Section.

**Articles** means the articles of association of the Fund, as amended from time to time.

**Auditor** means Ernst & Young S.A., the Fund's approved statutory auditor (*réviseur d'entreprises agréé*) within the meaning of article 55 of the 2007 Act.

**Board** means the board of managers of the General Partner.

**Business Day** means a day on which banks are generally open for business during the whole day in Luxembourg (excluding Saturdays and Sundays and public holidays).

**Carried Interest** has the meaning assigned to such term in the relevant Special Section.

**Central Administration** means FundPartner Solutions (Europe) S.A., in its capacity as administrative agent, paying agent and registrar and transfer agent, and domiciliary agent of the Fund.

**CHF** means the Swiss franc, the lawful currency of the Swiss Confederation.

**Circular 02/77** has the meaning set out in Section 3.8.

**Circular 07/309** means the CSSF circular of 3 August 2007 providing for guidelines as to the minimum level of risk diversification that must be ensured within the portfolio of a SIF, as may be amended or replaced from time to time.

**Class** means a class of Shares of the Fund (*catégorie d'actions*) as such term is understood under the Companies Act.

**Conflicts of Interest Policy** has the meaning set out in Section 22.1 of the General Section;

**Companies Act** means the Luxembourg act of 10 August 1915 concerning commercial companies, as amended.

**CSSF** means the *Commission de Surveillance du Secteur Financier*, the Luxembourg regulator for the financial sector.

**Dealing Day** means (unless otherwise defined in respect of a specific Sub-fund in the relevant Special Section) a Business Day that is a Valuation Day on which subscriptions for, conversions from and redemptions of Shares can be made in order to be dealt with by the Central Administration on the basis of the Net Asset Value that will be calculated based on the price as of such Valuation Day.

**Depository** means Pictet & Cie (Europe) S.A., in its capacity as depository of the Fund.

**Depository Agreement** means the agreement entered into between the Depository, the External AIFM and the Fund, as amended, supplemented or otherwise modified from time to time.

**Distribution Class** means a Class for which it is intended to make distributions, as set out in the relevant Special Section.

**Distribution Fee** means, in respect of a Sub-fund, the fee payable out of the assets of that Sub-fund to any Distributor or sub-distributor or placement agent, as further described in the relevant Sub-fund's Special Sections.

**Domiciliary Agent:** means FundPartner Solutions (Europe) S.A., in its capacity as domiciliary agent of the Fund, upon delegation of the AIFM.

**Distributor** means any entity appointed as distributor of the Fund by the External AIFM.

**Eligible Investor** means an Investor who is (i) a Well-Informed Investor and (ii) not a Restricted Person.

**Eligible Redemption Request** has the meaning set out in Section 7.1 of the General Section.

**EMIR** means the European Market Infrastructure Regulation (EU) N°648/2012 on OTC derivatives, central counterparties and trade repositories.

**ESG** means Environmental, Social and Governance criteria which constitute the three pillars of extra-financial analysis taken into account in socially responsible fund management; i) the Environmental criterion relates, among other, to climate mitigation, reduction of gas emissions and prevention of environmental risks; ii) the Social criterion relates, among other, to employment safety and health protection, supply chain monitoring and consideration of interests of communities and social minorities; iii) the Governance criterion relates, among other, to anti-corruption measures, sustainability management by the board of directors and the management structure.

**EU** means the European Union.

**Euro, € or EUR** means the single currency of the member States of the Economic and Monetary Union.

**Expenses** has the meaning set out in Section 23 of the General Section.

**External AIFM** means APIS ASSET MANAGEMENT S.A.

**Financial Year** means the 12 (twelve) month period ending on 31 December in each year, except for the first financial year which will start on the date of establishment of the Fund and end on 31 December 2016.

**Fund** means DCM Systematic Fund SICAV-SIF, an investment company with variable capital – specialised investment fund established pursuant to the Articles and this Memorandum as amended from time to time.

**Fund Service Agreements** means agreements entered into with the Depositary, the External AIFM, the Auditor and any other person who provides services to the Fund from time to time.

**Fund Service Providers** means the Depositary, the External AIFM, the Auditor and any other person who provides services to the Fund from time to time.

**GBP** means the Great Britain Pound, the currency of the United Kingdom.

**General Partner** means DCM Systematic GP, S.à r.l., the unlimited partner (*associé gérant commandité*) of the Fund and references to the exercise of any determinations, discretions and the making of decisions will be references to the General Partner acting on behalf of the Fund.

**General Meeting** means the general meeting of the Shareholders.

**General Section** means the general section of the Memorandum that sets out the general terms and conditions applicable to all Sub-funds of the Fund, unless otherwise provided in any of the Special Sections.

**Initial Offering Period** or **Initial Offering Date** means, in relation to each Sub-fund, the first offering of Shares made in a Sub-fund pursuant to the terms of the Memorandum and the relevant Special Section.

**Initial Sub-fund** means the Sub-fund DCM Systematic Fund SICAV-SIF – Diversified Alpha.

**Initial Subscription Price** means, in relation to each Class in each Sub-fund, the amount stipulated in the relevant Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or Initial Offering Date.

**Institutional Investors** means investors who qualify as institutional investors according to Luxembourg Law.

**Investing Sub-fund** has the meaning set out in Section 3.5(i) of the General Section.

**Investment** means any investment of the Fund or a Sub-fund, including but not limited to participations in or commitments to UCIs, shares, bonds, convertible loan stock, commodities, options, derivatives, warrants,

Liquid Assets or other securities of, and loans (whether secured or unsecured) made to, any person and interests.

**Investment Restrictions** means, for each Sub-fund, the investment restrictions applicable to the Fund as set out in Section 3 of the General Section, as amended or supplemented in accordance with the investment restrictions for that specific Sub-fund as set out in the relevant Special Section (if any).

**Investor** means any person who is or becomes an investor in the Fund by purchasing or subscribing for Shares and, where the context requires, will include that person as a Shareholder.

**KID** means the key information document required by Regulation (EU) No 1286/2014.

**Leverage** means any method by which the exposure of the Fund or a Sub-fund is increased through borrowing of cash or securities, or leverage embedded in derivative position or by any other means.

**Liquid Assets** means cash or cash equivalents, including, inter alia and without limitation, investments in units of money market funds, time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European Union, regional or worldwide scope as well as bonds admitted to official listing on a stock exchange or dealt on a Regulated Market, issued by first-class issuers and highly liquid.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Luxembourg Law** means the applicable laws and regulations of Luxembourg.

**Luxembourg Official Gazette** means *Mémorial C, Recueil des sociétés et associations* or *Recueil électronique des sociétés et associations (RESA)*.

**Management Fee** means the management fee payable out of the assets of a Sub-fund to the General Partner and/or to the External AIFM as further described in the relevant Sub-fund's Special Sections.

**Manager** means a member of the Board.

**Margin to Equity Ratio** means the ratio of collateral posted by a Sub-fund as margin against the net assets of the relevant Sub-fund.

**Memorandum** means this confidential offering memorandum, as amended or supplemented from time to time. The Memorandum is the offering document (*document d'émission*) of the Fund within the meaning of article 52 of the 2007 Act.

**Minimum Subscription Amount** means the amount (if any) which is stipulated in the relevant Special Section as either the minimum aggregate subscription monies or the minimum number of Shares for which a Shareholder or subscriber must pay or subscribe of a particular Class in a particular Sub-fund in which the Shareholder or subscriber does not hold that particular Class prior to such subscription, being acknowledged that the General Partner reserves the right to waive any such Minimum Subscription Amount requirement in its discretion.

**Minimum Subsequent Subscription Amount** means the amount (if any) which may be stipulated in the relevant Special Section as the minimum subscription monies which or the minimum number of Shares to which a Shareholder must pay or subscribe when subscribing for additional Shares of a particular Class in the relevant Sub-fund, being acknowledged that the General Partner reserves the right to waive any such Minimum Subsequent Subscription Amount requirement in its discretion.

**Net Asset Value** or **NAV** means the net asset value of the Fund, each Sub-fund, each Class and each Share as determined in accordance with Section 11 of the General Section.

**OECD** means the Organisation for Economic Co-operation and Development.

**Person** means any natural person or entity, including a corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated association, government or governmental agency or authority.

**Professional Investor** means any person who qualifies as a professional investor within the meaning of Annex III of the Luxembourg act of 5 April 1993 on the financial sector, as amended.

**Record Date** has the meaning set out in Section 13.5 of the General Section.

**Redemption Fee** means the redemption fee levied by the Fund in relation to the redemption of Shares of any Class in any Sub-fund as further detailed in the relevant Special Section.

**Redemption Request** means a written request by a Shareholder to have all or part of its Shares redeemed by the Fund.

**Reference Currency** means, (i) in relation to the Fund, the currency in which the Net Asset Value of the Fund is calculated, i.e. the EUR, and (ii) in relation to each Sub-fund and Class (or Sub-Class), the currency in which the Net Asset Value of such Sub-fund or Class (or Sub-Class) is calculated, as stipulated in the relevant Special Section.

**Regulated Market** means a regulated market which operates regularly and is recognised and open to the public.

**Reserve** has the meaning set out in Section 24 of the General Section.

**Restricted Person** has the meaning set out in Section 8 of this General Section.

**Retail Investor** means an investor who is not a Professional Investor. For the avoidance of doubt, Retail Investors may only invest in the Fund provided they are Well-Informed Investors within the meaning of article 2 of the 2007 Act.

**Risk Management Policy** means the risk management policy established by the External AIFM in accordance with the AIFM Rules setting out the risk management systems that are implemented by the External AIFM in order to identify, measure, manage and monitor appropriately all risks relevant to the Fund, the relevant Sub-fund and the Shareholders.

**Securities Financing Transactions** or **SFTs** means (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; or (iv) a margin lending transaction as defined under the SFTR.

**Section** means a section of this Memorandum.

**SFDR** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

**SFTR** means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

**Shares** means all shares issued by the Fund from time to time, representing the total outstanding share capital.

**Shareholder** means a holder of Shares.

**SICAV** means a Luxembourg *société d'investissement à capital variable* (investment company with variable capital).

**Side Letter** means any arrangement between the External AIFM (or one of its delegates), acting for the account of the Fund or for its own account, with one or more Shareholders or prospective Investors setting out terms supplementing the terms of the Memorandum, the Articles or the Subscription Agreement.

**SIF** means a *fonds d'investissement spécialisé* (a specialised investment fund) in accordance with the 2007 Act.

**Special Section** means each and every supplement to this Memorandum describing the specific features of a Sub-fund. Each such supplement is to be regarded as an integral part of the Memorandum.

**Sub-Classes** means each sub-classes of Shares which may be issued within each Class with a distinct Reference Currency.

**Sub-fund** means a separate portfolio of assets established for one or more Classes which is invested in accordance with a specific investment objective. The specifications of each Sub-fund will be described in their relevant Special Section.

**Subscription Agreement** means, in relation to each Sub-fund, the subscription agreement entered into, or the application form executed by, each Investor and the Fund for the account of such Sub-fund.

**Subscription Fee** means the subscription fee which may be levied by the Fund upon subscription of Shares in any Sub-fund, details of which are set out in the relevant Special Section.

**Swiss Representative** means ACOLIN Fund Services AG in its capacity as representative in Switzerland.

**Target Sub-fund** has the meaning set out in Section 3.5(i) of the General Section.

**Target UCI** means a vehicle, listed or unlisted, regulated or non-regulated that has as its purpose the collective investment of funds. For the avoidance of doubt, the term Target UCI will include, as the case may be, any sub-funds, compartments of such Target UCI.

**Transfer** means any sale, assignment, transfer, grant of a participation in, grant of security interests over, pledge, hypothecation, encumbrance or other disposal of Shares by an Investor and "**to transfer**" will have the same meaning.

**TRS** means a total return swap, ie, a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

**USD** or **\$** means the United States dollars.

**US Person** means a person that is a US person for purposes of Regulation S under the US Securities Act and CFTC Rule 4.7 or a US resident within the meaning of the Investment Company Act, which includes any natural person who is a resident of the United States, any partnership or corporation organized or incorporated under the laws of the United States, any estate of which any executor or administrator is a US person and the income of such estate is subject to United States income tax regardless of source, any trust of which any trustee is a US person and the income of such trust is subject to United States income tax regardless of source and any

other US person that is a US person or US resident for purposes of Regulation S under the US Securities Act, the Investment Company Act and CFTC Rule 4.7.

**Valuation Policy** means the valuation policy established by the External AIFM in accordance with the AIFM Rules with a view to ensure a sound, transparent, comprehensive and appropriately documented valuation process of the Fund's (and each Sub-fund's) portfolio, as may be amended from time to time by the External AIFM.

**Valuation Day** means (unless otherwise defined in respect of a specific Sub-fund in the relevant Special Section) a Business Day as of which the Net Asset Value will be calculated by the Central Administration.

**Voting Policy** means the voting policy established by the External AIFM in accordance with the AIFM Rules with a view to determine when and how any voting rights attached to instruments held in the Fund's portfolio are to be exercised, to the exclusive benefit of the Fund and the Shareholders.

**Well-Informed Investors** means any well-informed Investors within the meaning of article 2 of the 2007 Act. There exist three categories of well-informed Investors, Institutional Investors, Professional Investors and any other Investor, who (i) adheres in writing to the status of Well-Informed Investor and (ii) either (i) invests a minimum of EUR125,000 in the Fund or (ii) has obtained an assessment by a credit institution within the meaning of Directive 2006/48/EC, an investment firm within the meaning of Directive 2004/39/EC, or a management company within the meaning of Directive 2009/65/EC certifying his/her/its expertise, his/her/its experience and his/her/its capacity to adequately appraise an investment in the Fund. This EUR125,000 investment requirement is without prejudice to higher Minimum Subscription Amount requirements which might be imposed for a specific Sub-fund or Class in the Special Sections. For the avoidance of doubt, the managers and the other persons involved in the management of the Fund are regarded as Well-Informed Investors for the purpose of article 2 of the 2007 Act.

## GENERAL SECTION

The General Section applies to all Sub-funds of the Fund. The specific features of each Sub-fund and Class are set forth in the Special Sections.

### 1. THE FUND

#### Corporate form – Legal regime

- 1.1 The Fund is a Luxembourg *société d'investissement à capital variable - fonds d'investissement spécialisé* (investment company with variable capital - specialised investment fund), governed by the 2007 Act, the Companies Act and the Articles.
- 1.2 The Fund has adopted the form of a corporate partnership limited by shares (*société en commandite par actions*). The Fund was incorporated on 18 December 2015.
- 1.3 A Luxembourg corporate partnership limited by shares (*société en commandite par actions*) is a company established between one or more Shareholders who are indefinitely, jointly and severally liable for the obligations of the company (the *associés commandités* or unlimited shareholders) and one or more Shareholders who only contribute a specific share of capital whose liability is limited to the amount of their investment in the company (the *associés commanditaires* or limited shareholders).
- 1.4 The General Partner will be the sole unlimited Shareholder of the Fund and will manage, and act as general partner of the Fund.
- 1.5 Unless otherwise stated herein or in the Articles (*inter alia* in relation to the appointment of liquidator(s)), no resolutions of the General Meeting may be taken without the affirmative vote of the *associé gérant commandité* of the Fund (i.e., the General Partner).
- 1.6 The share capital of the Fund is at all times equal to the value of its net assets. The Fund was incorporated with an initial capital of EUR 31,000. The share capital of the Fund has been reached an amount equivalent to EUR 1,250,000 within a period of 12 months following its authorisation by the CSSF (being provided that Shares of a Target Sub-fund held by a Investing Sub-fund is not taken into account for the purpose of the calculation of the EUR 1,250,000 minimum capital requirement).
- 1.7 The registration of the Fund pursuant to the 2007 Act constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Memorandum or as to the assets held in the various Sub-funds.
- 1.8 The Fund is an AIF within the meaning of the AIFM Directive and the 2013 Act and the Fund, represented by its General Partner, has appointed the External AIFM, as further set out in Sections 2.8 to 2.14 below.

#### Shareholders liability - Applicable law - Jurisdiction

- 1.9 Any claim arising between the External AIFM, the Fund, the General Partner, the Central Administration, the Shareholders and the Depositary will be settled according to Luxembourg Law and subject to the jurisdiction of the Court of the District of Luxembourg-City, provided that Shareholders may subject themselves to the jurisdiction of courts of the countries where they reside and to the laws of such countries.
- 1.10 Investors in the Fund will make a contractually binding subscription to the Fund in respect of a Sub-fund by the execution and delivery of the Subscription Agreement. The rights and obligations of the Shareholders are set out in this Memorandum, the Articles and the relevant Subscription Agreement

as well as Luxembourg Law. Investors will not acquire any direct legal interest in investments made by the Fund or any Sub-fund. As Member State of the European Union, Luxembourg applies Council Regulation (EC) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as may be amended, supplemented or replaced from time to time. Luxembourg also adheres to other treaties and conventions on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and, in the absence of an EU regulation, a treaty or a convention, Luxembourg courts can, under certain conditions grant exequatur (enforcement) to a foreign judgment in Luxembourg.

### **Umbrella structure - Sub-funds and Classes**

- 1.11 The Fund has an umbrella structure consisting of one or several Sub-funds. A separate portfolio of assets and liabilities is maintained for each Sub-fund and is invested in accordance with the investment objective and policy applicable to that Sub-fund. The investment objective, policy as well as the other specific features of each Sub-fund are set forth in the relevant Special Section.
- 1.12 The Fund is one single legal entity. However, in accordance with article 71(5) of the 2007 Act, the rights of the Investors and creditors relating to a Sub-fund or arising from the setting-up, operation and liquidation of a Sub-fund are limited to the assets of that Sub-fund. The assets of a Sub-fund are exclusively dedicated to the satisfaction of the rights of the Investors relating to that Sub-fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-fund. Each Sub-fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-fund. A purchase of Shares relating to one particular Sub-fund does not give the holder of such Shares any rights with respect to any other Sub-fund.
- 1.13 Within a Sub-fund, the General Partner may decide to issue additional Classes with different features including, without limitation, different:
  - (a) type of target investors;
  - (b) fees and expenses structures;
  - (c) sales and redemption charge structures;
  - (d) subscription and/or redemption procedures;
  - (e) minimum investment and/or subsequent holding requirements;
  - (f) Shareholders servicing or other fees;
  - (g) distribution rights and policy, and the General Partner may in particular, decide that shares pertaining to one or more Class(es) be entitled to receive incentive remuneration scheme in the form of carried interest, higher performance returns, lower performance or other fees or to receive preferred returns;
  - (h) marketing targets;
  - (i) transfer or ownership restrictions;
  - (j) reference currencies;

provided that, at all times, the General Partner will hold at least one share that is reserved to the General Partner, in its capacity as unlimited shareholder (*actionnaire gérant commandité*) of the Fund (the **GP Share**) and that a maximum of one single GP Share will be issued by the Fund per Sub-fund.

- 1.14 Classes of some Sub-funds, indicated in the Special Section of each Sub-fund, may, on the decision of the General Partner, be subdivided into several Sub-Classes with a different valuation currency. The attention of Investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each Sub-Class, an Investor may be exposed to the risk that the Net Asset Value of one Sub-Class denominated in a given valuation currency may fluctuate in a way that compares unfavourably to that of another Sub-Class denominated in another valuation currency. It should nevertheless be noted that all expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the Sub-Class concerned will be allocated to that Sub-Class. For the purpose of the Articles, any references to Classes include references to Sub-Classes.
- 1.15 The Special Sections indicate, for each Sub-fund, which Classes and, if applicable, which Sub-Classes are available and if there are any additional characteristics of the Classes and Sub-Classes concerned.
- 1.16 To the extent permitted by the Memorandum, and in relation to Sub-Classes that are denominated in a currency other than the Reference Currency of a Sub-fund or Class, the General Partner may (but is under no obligation to) employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant Sub-Class is denominated.
- 1.17 For the time being, the Fund is comprised the following Sub-fund:
- DCM Systematic Fund SICAV-SIF – Diversified Alpha.
- Each Sub-fund is described in more detail in the relevant Special Section.
- 1.18 Shares are exclusively reserved for subscription by Eligible Investors. In addition, Investors should note that the Board reserves the right to reject (in whole or in part) any Subscription Agreement in its absolute discretion.

#### **Term of the Fund – Term of the Sub-funds**

- 1.19 The Fund has been incorporated with an unlimited duration provided that the Fund will however be automatically put into liquidation upon the termination of a Sub-fund if no further Sub-fund is active at this time.
- 1.20 Each Sub-fund may be created for an unlimited or limited period of time; in the latter case the Sub-fund will be automatically liquidated at the relevant termination date, as further described in the relevant Special Section.

## **2. MANAGEMENT AND ADMINISTRATION**

### **General Partner**

#### *Corporate information*

- 2.1 DCM Systematic GP, S.à r.l. (the **General Partner**) is the general partner of the Fund. The General Partner was incorporated in Luxembourg as a *société à responsabilité limitée* (private limited liability company) on 18 December 2015. Its corporate capital amounts to EUR12,500.
- 2.2 The Board is composed as follows:

- Jérôme Callut, Fund Manager, APIS ASSET MANAGEMENT S.A.

From 2008 to 2013, Jérôme Callut was employed by BlueCrest Capital Management as a Quantitative Analyst within the systematic modelling team, which focused on the mathematical modelling of market prices in conjunction with highly-computerised trading. He led a team in charge of the research for the currency-based trading strategies used in the BlueTrend fund. Beyond the management of the team, his role included the enhancement of existing currency-based strategies as well as the inception of new trading models and the migration of these to live trading. Prior to joining BlueCrest, Jérôme undertook a Postdoc at Louvain School of Management, UCL-Belgium, whilst being a part-time consultant at Vadis SA, a company specialised in predictive modelling for business intelligence applications. Jérôme holds a PhD in Applied Sciences from UCL-Belgium. In 2015, Mr Callut has been recruited as Fund Manager by and APIS ASSET MANAGEMENT S.A. (previously iW Partners SA) in 2020.

- Stéphane Bonneau-Popot, DCM Systematic Advisors S.A.

Stéphane Bonneau-Popot was head of data science at MonsieurDrive.com, a price comparison website for online grocery shopping based in Paris, France and drove the design and deployment of data mining models and analytics solutions for its comparison engine. Prior to this, from 2007 to 2013, he was a senior quantitative researcher and partner at BlueCrest Capital Management. As a member of the Systematic Modelling team, he contributed to the full lifecycle (design, development, deployment and execution) of purely automated and data-driven trading strategies for the futures and forwards markets. Stéphane, who has a long-standing interest in research problems at the interface of computer science, physics and mathematics, holds a PhD in Applied Mathematics from Université Paris Dauphine. He has been recruited as Senior Data Scientist by DCM Systematic Advisors S.A. in 2019.

- Jean de Courrèges d'Ustou, independent director

Jean de Courrèges d'Ustou holds an MBA from ESSEC (France) with majors in finance and marketing as well as an international directors' program certificate from INSEAD. Jean spent his career in the banking and financial industry in various positions in Europe, Asia and the USA. He has been also a fund of Hedge Funds CIO for 7 years overall. Since 2008, Jean acts as an independent director on Luxembourg funds – both UCITS and non-UCITS. He advises clients on fund launches and risk management as well as governance. He sits on the ALFI working groups dealing with AIFM regulatory matters and AIF risk management. He has been a member of PRMIA – Paris for over ten years and participates in the ILA and PRIM activities.

- Gaëtan Maraite, DCM Systematic Advisors S.A.

Gaëtan Maraite holds a Master's degree in Law from UCL-Belgium as well as a postgraduate qualification in Estate Planning (*DES en droit patrimonial*). Gaëtan began his career in 2001 as an estate planner within the family owned Notary Public office in Belgium. He joined Pictet Wealth Management in 2007 in Luxembourg and then moved to London. In 2009 he joined Pictet Asset Services Luxembourg as a relationship manager. He then moved to Pictet's Geneva headquarters to develop sales in investment fund solutions. From 2012 to 2017 Gaëtan was responsible for business development at Pictet Asset Services, which offers fund, custody and trading services for asset managers, family offices and institutional clients. During this period, he specialised in private label funds.

- 2.3 The General Partner's general meeting of shareholders may replace any Manager as and when required, subject to the approval of the CSSF.

#### *Duties*

- 2.4 The General Partner is fully and exclusively responsible for the performance of the overall investment policy and objectives, management and administration of the Fund. The General Partner will manage the assets of the Fund in compliance with the Articles, the provisions of this Memorandum for the sole benefit, and in the best interest, of the Investors.
- 2.5 The General Partner is responsible for selecting and retaining on behalf of the Fund, the Fund Service Providers and other such agents as are appropriate.
- 2.6 The General Partner is entitled to receive remuneration out of the assets of the Fund, up to a maximum of EUR 15'000 p.a. in accordance with usual market practice.
- 2.7 The Managers are entitled to receive remuneration out of the assets of the General Partner in accordance with usual market practice.

#### **External AIFM**

- 2.8 The Fund represented by its General Partner has appointed APIS ASSET MANAGEMENT S.A. (previously iW Partners SA) as its external AIFM pursuant to the Alternative Investment Fund Management Agreement signed for an indefinite period and by which the General Partner, under its responsibility and supervision, delegated investment management (including portfolio management and risk management), valuation, administration and the marketing functions to the External AIFM.
- 2.9 The External AIFM was incorporated as a *société anonyme* under the laws of Luxembourg on 05 September 2016 and its articles of incorporation were amended for the last time on 17 July 2020 with publication in the Luxembourg Official Gazette on 31 July 2020. The External AIFM is registered with the *Registre de Commerce et des Sociétés* under number B 208703. The External AIFM has been authorised by the CSSF to pursue its object, which consists of exercising the business of a management company under the provisions of AIFM under Chapter 2 of the 2013 Act.
- 2.10 The External AIFM has implemented a risk management system (i.e., the **Risk Management Policy**) and has also procedures and processes in place to monitor the Fund's and its Sub-funds' risks.
- 2.11 The External AIFM has established policies and procedures to ensure that Investors are treated fairly. These policies and procedures include, but are not limited to, the assurance that no Investor will receive preferential treatment over other Shareholders with regard to rights and obligations concerning their investment in the Fund. All rights and obligations of Investors, including those related to subscription and redemption requests, are set forth in this Memorandum or the Articles.
- 2.12 Conflicts of interest may arise between the External AIFM and the persons or entities involved in the management of the Sub-funds and/or managers of the Target UCIs in which a Sub-fund invests. In the event of a conflict of interest, the External AIFM will take the necessary measures to ensure that such conflicts are resolved in a timely manner in accordance with the Conflicts of Interest Policy and so as not to prejudice the interests of Shareholders.
- 2.13 The External AIFM will monitor on a continued basis the activities of third parties to which it has delegated functions (under the supervision of the Board) and will receive periodic reports from these service providers to enable it to perform its monitoring and supervision duties. The External AIFM's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

2.14 The External AIFM will receive an AIFM Fee as further detailed in the relevant Special Sections.

### **Depositary**

2.15 Pictet & Cie (Europe) S.A. has been appointed as depositary of the Fund (the **Depositary**).

2.16 Pictet & Cie (Europe) S.A. is a bank organised as a *société anonyme*, regulated by the CSSF, subject to the act of 15 April 1993 on the financial sector, as amended, and incorporated under the laws of the Grand Duchy of Luxembourg. Its registered office and administrative offices are at 15A, Avenue John F. Kennedy, L-1855 Luxembourg.

2.17 The safekeeping of the Fund's assets has been entrusted to the Depositary. The Depositary is responsible to the Fund or its Investors for returning to the Fund its financial instruments that it holds in custody. The liability of the Depositary shall not be affected by any delegation of its custody function. The Depositary may however discharge its responsibility in case of a loss of a financial instrument held in custody (i) in the event it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary in accordance with article 19 (12) of the 2013 Act; or (ii) where it has contractually discharged its responsibility in compliance with article 19 (13) of the 2013 Act, or in compliance with the conditions set out under article 19 (14) of the 2013 Act where the laws of a third country requires that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 19 (11) of the 2013 Act.

2.18 The Depositary carries out on behalf of the Fund cash flows monitoring and oversight duties. Such duties may not be delegated.

2.19 The Depositary will:

- (a) ensure that the Fund's cash flows are properly monitored in accordance with article 19(7) of the 2013 Act;
- (b) ensure that the sale, issue, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the Luxembourg applicable law, the Memorandum and the Articles;
- (c) ensure that the value of the Shares is calculated in accordance with the Luxembourg applicable law, the Articles, this Memorandum and the procedures laid down in Article 19 of the AIFM Directive;
- (d) carry out the instructions of the External AIFM, unless they conflict with the Luxembourg applicable law, this Memorandum or the Articles;
- (e) ensure that, in transactions involving the assets of the Fund, any consideration is remitted to it within the usual time limits in respect of the specified assets;
- (f) ensure that the income and assets attributable to the Fund are applied in accordance with applicable Luxembourg Law, this Memorandum or the Articles;
- (g) perform its duties in accordance with the AIFMD-CDR.

2.20 The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and is not responsible for the preparation of this document and accepts no responsibility for any information and/or for any insufficient, misleading or unfair information contained in this document.

- 2.21 The Depositary will not have any investment decision-making role in relation to the Fund and will not be liable for investment decisions taken on behalf of the Fund nor for its performances.
- 2.22 The Depositary Agreement may be terminated by any party at any time upon ninety days prior written notice or with 30 days prior notice in case of material breach of contract.
- 2.23 In any case the Depositary will have to be replaced within two (2) months from its voluntary withdrawal or from its removal by the Fund. The Depositary will continue its activities during this period of two months until the Fund's assets entrusted to the Depositary have been transferred to the new depositary subject to the approval of the CSSF.
- 2.24 The fees and costs of the Depositary for the above functions are met by the Fund and are determined in accordance with the terms of the Depositary Agreement. The maximum level of fees and costs payable out of the assets of each Sub-fund to the Depositary is set out in each Special Section.

### **Central Administration and Domiciliary Agent**

- 2.25 FundPartner Solutions (Europe) S.A. has been appointed by the External AIFM at the request and with the agreement of the Fund, as its administrative, paying and registrar and transfer agent and domiciliary agent (the **Central Administration**) under an administration agreement entered into by the External AIFM and the Central Administration for an infinite period (the **Administration Agreement**).
- 2.26 The Central Administration is in charge of processing of the issue, redemption and conversion of the Shares and settlement arrangements thereof, keeping the register of Shareholders, calculating the Net Asset Value of the Shares, maintaining the records, assisting the Fund in verifying that Investors qualify as Well-Informed Investors under the 2007 Act, provide domiciliary agency services and other general functions as more fully described in the Administration Agreement.
- 2.27 The Central Administration will not be liable for the Fund's investment decisions nor the consequences of the Fund's investment decisions on its performances and the Central Administration is not responsible for the monitoring of the compliance of the Fund's investments with the rules contained in its Articles and/or its Memorandum.
- 2.28 The External AIFM and the Central Administration may terminate the Administration Agreement at any time upon ninety days' written notice. The Fund may in addition terminate the Administration Agreement with immediate effect in order to protect the interest of investors in accordance with article 42ter(g) of the 2007 Act.
- 2.29 The Central Administration's fees and expenses are determined in accordance with the terms of the Administration Agreement. These fees and expenses are paid out of the assets of the Fund, as further set out in the relevant Special Section.

### **Prime broker**

- 2.30 No prime broker have been appointed at the date of this Memorandum.

### **Distributors and placement agents**

- 2.31 The External AIFM may appoint from time to time one or more distributors for the Sub-fund(s) (each a **Distributor**). Each Distributor may in turn appoint one or more sub-distributors in relation to the relevant Sub-fund(s). Distributors or sub-distributors may offer to enter into arrangements with Investors to provide nominee services in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying Investors.

- 2.32 All Distributors or sub-distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Fund and nominee service providers must be (i) professionals of the financial sector of a Financial Action Task Force (**FATF**) member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying Investors will not appear in the register of Shareholders and will have no direct right of recourse against the Fund.
- 2.33 The terms and conditions of distribution agreements with arrangements to provide nominee services will have to allow that an underlying Investor who (i) has invested in the Fund through a nominee and (ii) is not a Restricted Person, may at any time, require the Transfer in his/her/its name of the Shares subscribed through the nominee. After this Transfer, the Investor will receive evidence of his/her/its shareholding at the confirmation of the Transfer from the nominee.
- 2.34 Investors may subscribe directly to the Fund without having to go through a distributor or nominee.
- 2.35 The Fund, the External AIFM, the Depositary or the Central Administration may enter into retrocession fee arrangements with the distributors in relation to their distribution services, provided that any such arrangement will be designed to enhance the quality of the service to the Investors and must not impair compliance with the Fund, the External AIFM, the Depositary or the Central Administration and the distributor's duty to act in the best interests of the Investors.

#### **Auditor**

- 2.36 Ernst & Young S.A. is the Fund's auditor and will fulfil all duties prescribed by the 2007 Act and the AIFM Rules. The auditor will, *inter alia*, verify (audit) the accounting information contained in the Annual Reports and various compliance aspects. The auditor's report, established after the audit, must be included in the Annual Report.

### **3. INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS**

#### **Investment Objective**

- 3.1 The investment objective and strategy of each Sub-fund is as set out in respect of that Sub-fund in the relevant Special Section.
- 3.2 There can be no guarantee that the investment objective of any Sub-fund will be met.
- 3.3 The Fund may invest (directly or indirectly) in any kind of assets (including derivatives), which are eligible under the 2007 Act.
- 3.4 The Fund currently includes one single Sub-fund (DCM Systematic Fund SICAV-SIF – Diversified Alpha) which implements a hedge fund strategy (Managed Futures/CTA). DCM Systematic Fund SICAV-SIF – Diversified Alpha invests *inter alia*, and subject to the investment rules set out in the relevant Special Section in financial derivative instruments (including listed financial derivative instruments, such as futures and options and OTC currency forwards), Liquid Assets and ETFs.

#### **Investment Restrictions**

- 3.5 Unless otherwise provided for in the relevant Special Section in relation to a particular Sub-fund:

### ***General***

- (a) In accordance with Circular 07/309, no Sub-fund will invest more than 30% of its assets in securities of the same type issued by the same issuer.
- (b) The restriction set out under Section 3.5(a) of the General Section is not applicable to the acquisition of:
  - (i) units or shares of Target UCIs that are subject to risk diversification requirements at least comparable to those set out in the Circular 07/309; and
  - (ii) securities issued or guaranteed by a Member State of the OECD or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope.
- (c) Each compartment of a Target UCI with multiple compartments is considered as a distinct Target UCI for the purpose of the Investment Restrictions and limits set out under Sections 3.5(a) and (b) above provided that the principle of segregation of the assets and liabilities of the different compartments is ensured.

### ***Borrowing***

- (d) Each Sub-fund may borrow permanently and for investment purposes and secure those borrowings with liens or other security interests in, or mortgages on, its assets provided that a Sub-fund may not, at any point in time, incur a level of borrowing in excess of such maximum percentage set out in the relevant Special Section.

### ***Leverage***

- (e) The maximum amount of Leverage which a Sub-fund may use, calculated according to the gross method or the commitment approach (as per the AIFM Rules), is indicated for each Sub-fund in the relevant Special Section. In addition, the total amount of Leverage used by a Sub-fund will be published in the annual report of the Fund. The amount of Leverage calculated according to the commitment approach allows to take into account netting provisions, adds the value of physical positions, notional of all derivative instruments, takes into account any Leverage generated through securities loans or borrowings agreements and repo agreements, but excludes derivative products which are used in hedging transactions or derivatives which do not generate any additional Leverage. The amount of Leverage calculated according to the gross method does not take into account netting provisions or hedging, adds the value of physical positions, notional of all derivative instruments, takes into account any Leverage generated through securities loans or borrowings agreements and repo agreements but excludes treasury or equivalents of treasury held in the reference currency of the Sub-fund.

### ***Derivatives and securities lending, borrowing and repurchase transactions***

- (f) As at the time of issue of this Memorandum and notwithstanding any provisions to the contrary herein, the Sub-funds do not use SFT or TRS which fall under the scope of SFTR. Whenever this situation changes, the Memorandum will be updated accordingly.
- (g) Each Sub-fund may utilise a variety of financial instruments including listed derivatives and currency forward contracts, for hedging or for investment purposes provided it maintains a diversification at the level of the derivatives' underlying assets equivalent to that applicable in case of direct investment. The exposure of a Sub-fund to a single issuer through the use of derivative instruments may not exceed 30% of its assets. For the avoidance of doubt, this 30%

limit only applies vis-à-vis derivatives' underlying assets which entail an issuer risk to the exclusion for instance of currencies, foreign exchange rates, interest rates and commodities.

- (h) The risk exposure of a Sub-fund to a counterparty in OTC derivative transactions may not exceed 30% of its assets. A Sub-fund will only enter into OTC derivative transactions with counterparties that are first class financial institutions specialised in this type of transactions. This counterparty risk limit will not apply vis-à-vis:
  - (i) EU clearing central counterparties (CCPs) and non-EU CCPs recognised by the ESMA under article 25 of EMIR; and
  - (ii) clearing members if the Fund's assets are held with the CCP under an individual client segregation (no omnibus client segregation).

#### ***Cross-investments between Sub-funds***

- (i) A Sub-fund (the **Investing Sub-fund**) may invest in one or more other Sub-funds. Any acquisition of Shares of another Sub-fund (the **Target Sub-fund**) by the Investing Sub-fund is subject to the following conditions:
  - (i) the Target Sub-fund does not in turn invest in the Investing Sub-fund;
  - (ii) the voting rights attached to the Shares of the Target Sub-fund are suspended during the investment by the Investing Sub-fund, without prejudice to the appropriate processing in the accounts and the periodic reports;
  - (iii) the value of the Share of the Target Sub-fund held by the Investing Sub-fund are not taken into account for the purpose of assessing the compliance with the EUR 1,250,000 minimum capital requirement.

#### ***Kick off period***

- (j) The Investment Restrictions of this Section 3 may not be complied with during a transitional period as will be set out in the relevant Sub-fund's Special Section, provided that the Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-funds.

#### ***Active and Passive Breaches***

- 3.6 If the investment restrictions applicable to a Sub-fund are breached by reason other than an acquisition or purchase of an Investment (including, for the avoidance of doubt, if the Investment Restrictions are breached (a) due to an increase or decrease of the value of the relevant Investment, or (b) because the Sub-fund has disposed of one or more of its Investments (a **Passive Breach**)), the Fund and the External AIFM must adopt as priority objective to remedy the Passive Breach, but will only do so if they reasonably consider it to be in the best interests of the Shareholders. In addition, the Fund and the External AIFM will not commit to any new Investments or, without prejudice to item (b) above, divestment that may aggravate the Passive Breach in the relevant Sub-fund.
- 3.7 The Fund and the External AIFM will monitor the investment restrictions applicable to each Sub-fund but will not be required to take immediate remedial action to comply with any such Investment Restriction, if (i) the failure to comply with the Investment Restriction results in an event which is beyond the Fund's control (the **Active Breach**) or (ii), in respect of Passive Breaches, the Fund and the External AIFM deem it advisable or in the best interest of the Sub-fund not to dispose of or otherwise take action with respect to the relevant Investment.

- 3.8 With respect to the protection of Investors in case of non-compliance with the Investment Restrictions, the Fund will comply with the principles and rules set out in Part II of Circular 02/77 of 27 November 2002 (**Circular 02/77**), subject to what is specified in each Special Section.

#### ***Sustainability-related disclosures***

- 3.9 The SFDR came into effect on 10 March 2021. The objective of SFDR is to harmonise transparency rules with regards the integration of sustainability risks and the consideration of adverse sustainability impacts in the Sub-funds' investment management processes and the provision of sustainability-related information, as further disclosed in Section 26 "Risk Factors" of this Memorandum.
- 3.10 The AIFM considers, in addition to financial criteria, ESG criteria which could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-funds. The AIFM therefore is willing to integrate ESG criteria into the investment process, either directly or via its delegated investment managers, without being determining factors in the investment management's decision.
- 3.11 Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund's specific section, the Sub-funds integrate sustainability risks into investment decisions but do not promote ESG characteristics and do not have as objective sustainable investments as defined in the Article 8 or 9 of SFDR.
- 3.12 The ESG data sources used to assess and monitor the sustainability risks are mainly companies' public information, direct engagement with companies, financial press as well as external ESG data providers (if need be).

## **4. SHARE CAPITAL AND SHARES**

### **Investment by Eligible Investors**

- 4.1 Shares are exclusively reserved for Eligible Investors. The Fund will not issue, or give effect to any Transfer of, Shares to any Investor who is not an Eligible Investor. The Fund (and the Central Administration acting in its capacity as registrar and transfer agent) reserves the right to request such information as is necessary to verify the identity of a (potential) Investor and its status in regard to the qualification as an Eligible Investor. In the event of delay or failure by the (potential) Investor to produce any information required for verification purposes, the Fund (and the Central Administration acting in its capacity as registrar and transfer agent) may refuse to accept the Subscription Agreement.

### **Shares**

- 4.2 All Shares issued by the Fund are redeemable Shares. The Fund may therefore redeem Shares at the Board's discretion and, in particular in accordance with article 8 of the Articles and the provisions of this Memorandum. Shares will have the same voting rights and will have no pre-emptive subscription rights. All Shareholders have the right to vote at any General Meeting. This vote can be exercised in person or by proxy. Each Share entitles its holder to one vote.
- 4.3 The Fund's share capital is at all times equal to its Net Asset Value. Fractional Shares will be issued to the nearest thousandth of a Share, and such fractional Shares will not be entitled to vote (except where their number is so that they represent a whole Share, in which case they confer a voting right) but will be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-fund on a pro rata basis.

### **Subscription in kind**

- 4.4 Unless otherwise provided for in a Special Section in respect of a Sub-fund, the Fund will have the right to accept subscriptions through contributions in kind of Investments to a Sub-fund in lieu of cash. Any such contributions in-kind must comply with the investment strategy, objective and the restrictions of the relevant Sub-fund and a valuation report from the Auditor confirming the value of the contributed assets must be provided. The costs of such subscription in-kind will be supported by the relevant contributing Investor.

## **5. SUBSCRIPTION FOR SHARES**

### **General**

- 5.1 Unless otherwise provided for in a Special Section, the Fund may issue fully paid Shares at any time as stated in this Section.
- 5.2 The Fund may determine that another subscription procedure be applicable, and set out any other subscription conditions such as default interests or restrictions on ownership in relation, to a Sub-fund. Such other subscription procedure or conditions will be disclosed and more fully described in the Special Section. The Fund may also impose restrictions on the frequency at which Shares will be issued. The Fund may, in particular, decide that Shares will only be issued during one or more offering periods or at such other frequency as provided for in the Special Section.
- 5.3 The Fund may, in its absolute discretion, accept or reject any request for subscription for Shares. The Fund may, again at its discretion and in the interests of the Fund, redeem at any time any Shares of the Fund that are illegitimately subscribed or held.
- 5.4 In the event that a Class or Sub-Class, closed for subscriptions because all the Shares issued in that Class or Sub-Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class or Sub-Class are subscribed during the Initial Offering Period or Initial Offering Date of a Sub-fund, the Initial Subscription Price per Share of the Class or Sub-Class concerned will, at the time of the launch of the Class or Sub-Class, be equal to 100 units of the Reference Currency of the Class or Sub-Class concerned (eg, EUR 100 or USD 100).

### **Subscriptions**

- 5.5 After the Initial Offering Period or Initial Offering Date, the Fund may offer Shares of each existing Class or Sub-Class in each existing Sub-fund on any day that is a Dealing Day. The Board may decide that for a particular Class or Sub-Class or Sub-fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section). The Board reserves the right to authorise at any time and without notice the issue and sale of Shares for Sub-Classes or Classes or Sub-funds that were previously closed for further subscriptions. Such decision will be made by the Board with due regard to the interest of the existing Shareholders in the relevant Class or Sub-fund.
- 5.6 The Board may in its discretion decide to cancel the offering of a Sub-fund. The Board may also decide to cancel the offering of a new Class or Sub-Class of Shares. In such case, Investors having made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the relevant Investors.
- 5.7 Subscription requests will be accepted in amounts or for a specific number of Shares.

- 5.8 If an Investor wants to subscribe Shares, a Subscription Fee may be added to the subscription price to be paid by the Investor. The applicable Subscription Fee will be stipulated in the relevant Special Section. This fee will be payable to the relevant Sub-fund, the External AIFM, the Distributor or sub-distributor (if any), as specified in the relevant Special Section.

### **Subscription procedure**

- 5.9 Subscriptions may be made only by Eligible Investors by:
- (a) (in respect of subscriptions during the Initial Offering Period or Initial Offering Date) submitting a complete written and signed subscription request by fax, swift or any other transmission method allowed by the Central Administration to the Central Administration to be received by the Central Administration before such date and time as set out in the relevant Special Section before the last day of the Initial Offering Period or before the Initial Offering Date.
  - (b) delivering to the account of the Central Administration (acting as the Fund's paying agent) cleared funds for the full amount of the subscription request before date and time as set out in the relevant Special Section Any subscription requests and/or subscription moneys received after the cut-off time set out in the Special Sections in respect of subscription requests made during the Initial Offering Period/Date will be carried forward to be effected on the first Dealing Day after the close of the Initial Offering Period/Date;
  - (c) (for ongoing subscriptions) submitting a complete written and signed subscription request to the Central Administration to be received by the Central Administration before such date and time as set out in the relevant Special Section prior to the relevant Dealing Day on which the subscription will be effected. Any subscription requests received after the subscription deadline on the relevant Dealing Day will be deferred to the next Dealing Day and will be dealt with on the basis of the Net Asset Value per Share; and
  - (d) delivering to the account of the Central Administration (acting as the Fund's paying agent) cleared funds for the full amount of the subscription (plus any Subscription Fee), before such time and date as set out in the relevant Special Section in respect of the relevant Dealing Day.
- 5.10 If the Central Administration (acting as the Fund's paying agent) does not receive the subscription moneys in time the purchase order may be cancelled and the subscription moneys returned to the Investor without interest. The Investor will be liable for the costs of late or non-payment in which case the Fund will have the power to redeem all or part of the Investor's holding of Shares in the Fund in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Fund due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Fund.
- 5.11 Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-fund or Sub-Class. Subscription monies received in another currency than the Reference Currency must represent an amount equivalent in the Reference Currency of the relevant Sub-fund or Sub-Class calculated by the Central Administration on behalf of the Investor at normal banking rates. Any such currency transaction will be effected with the Central Administration at the Investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.
- 5.12 Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-funds and/or Sub-Classes offered by the Fund.

- 5.13 In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Central Administration by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- 5.14 The Fund reserves the right to accept or reject a subscription request, in whole or in part, at its discretion. The applicable Minimum Subscription Amount and Minimums Subsequent Subscription Amount must be complied with by any applicant for Shares. The Fund may waive these requirements in its absolute discretion. In the event that the Fund decide to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the prospective Investor without undue delay (unless otherwise provided for by law or regulations).
- 5.15 The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder (other than the amount of Subscription Fee) divided by:
- (a) the Initial Subscription Price, in relation to subscriptions made in connection with the Initial Offering Period or Initial Offering Date; or
  - (b) the Net Asset Value per Share of the relevant Sub-Class of the relevant Class and in the relevant Sub-fund as of the relevant Dealing Day.
- 5.16 With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the first Business Day following the end of the Initial Offering Period or Initial Offering Date.
- 5.17 Any purchases of Shares will be subject to the ownership restrictions set forth below.

## **6. CONVERSION OF SHARES**

- 6.1 Unless otherwise specified in the relevant Special Section, Shareholders are entitled to convert all or part of their Shares of a particular Class (divested Class) into Shares of other Class(es) (as far as available) within the same Sub-fund (invested Class(es)) or Shares of the same or different Classes (as far as available) of another Sub-funds (invested Class(es)), subject to the prior approval of the General Partner. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section).
- 6.2 If the criteria to become a Shareholder of such other Class or Sub-Class and/or such other Sub-fund are fulfilled, the Shareholders who wish to convert all or part of their Shares must submit a request by fax, swift or any other transmission method allowed by the Central Administration to the Central Administration. The conversion request must be communicated to the Central Administration before such time and date as set out in the Special Section in respect of a Dealing Day. Conversion requests received after this deadline will be deemed to be received and treated on the next following Dealing Day and will processed on the basis of the Net Asset Value per Share as of the first Dealing Day after the relevant Dealing Day. The conversion request must indicate the number of Shares of the relevant Classes (or Sub-Classes) in the relevant Sub-fund, which the Shareholder wishes to convert.
- 6.3 A conversion of Shares of a particular Sub-Class of one Sub-fund for Shares of another Sub-Class in the same Sub-fund and/or for Shares of the same or different Sub-Class in another Sub-fund will be treated as a redemption of Shares and a simultaneous purchase of Shares of the acquired Sub-Class and/or Sub-fund. A converting Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile.

- 6.4 All terms and conditions regarding the redemption of Shares will equally apply to the conversion of Shares. Investors should hence note that the redemption part of a conversion of Shares will be processed in accordance with, and subject to, Section 7 below.
- 6.5 The price at which Shares will be converted will be determined by reference to the respective Net Asset Value per Share of the relevant Sub-Class in the relevant Sub-fund as of the relevant Dealing Day, taking into account the actual rate of exchange on the day concerned. If the Dealing Days of the divested Sub-Class and the invested Sub-Class taken into account for the conversion do not coincide, the Shareholders' attention is drawn to the fact that the amount converted will not generate interest during the time interval between the two Dealing Days.
- 6.6 A conversion charge may be payable upon conversion of Shares as will be stipulated in the relevant Special Section (the **Conversion Fee**).
- 6.7 Conversion of Shares will be effected on the first Business Day after the relevant Dealing Day, by:
- (a) a redemption of the number of Shares of the relevant divested Class (or Sub-Class) in the relevant Sub-fund specified in the conversion request at the Net Asset Value per Share of the relevant Class (or Sub-Class) in the relevant Sub-fund (in accordance with Section 7 below – the redemption part of a conversion request will be treated as a Redemption Request for all purposes of Section 7 below); and
  - (b) an issue of Shares on that Dealing Day (subject to Section 6.5 above) in the relevant invested Class (or Sub-Class) in the relevant Sub-fund, into which the original Shares are to be converted, at the Net Asset Value per Share of the relevant Class (or Sub-Class) in the new Sub-fund.
- 6.8 Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares will be applied immediately as the subscription monies for the Shares in the new Class into which the original Shares are converted.
- 6.9 Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued will be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion will be calculated by the Depositary in accordance with the rules laid down in Section 11.13 of this General Section.
- 6.10 Assuming that there are no Shares issued in the invested Class (or Sub-Class) (and consequently no Net Asset Value per Share) on the Dealing Day applicable to the conversion, the initial subscription price per Share of the Shares in the invested Class (or Sub-Class) will correspond to the Initial Issue Price, as set out in the relevant Special Section of the Sub-fund of the invested Class (or Sub-Class).
- 6.11 The attention of Investors is drawn to the particular problems involved in a conversion operation when the terms and methods of redeeming Shares in the divested Class (or Sub-Class) do not coincide with the terms and methods of subscribing to Shares in the invested Class (or Sub-Class).

## **7. REDEMPTION OF SHARES**

### **Timing, form of Redemption Request**

- 7.1 Unless otherwise provided for in a Special Section, all Redemption Requests received before such time and date as set out in the relevant Special Section prior to a forthcoming Dealing Day will be eligible for redemption at that Dealing Day (an **Eligible Redemption Request**). Redemption Requests

received after this deadline will be deemed to be received on the next following Dealing Day and will be processed on the basis of the Net Asset Value per Share as of such Dealing Day.

- 7.2 Redemption Requests must be addressed to the Central Administration by fax, swift or any other transmission method allowed by the Central Administration. Redemption Requests will not be accepted by telephone. Redemption Requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended). The Fund may however, on a case-by-case basis, accept a request from a Shareholder to have its Redemption Request withdrawn. The Fund also reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Fund that the Redemption Request was made by a Shareholder of the Fund. Failure to provide appropriate documentation to the Central Administration may result in the withholding of redemption proceeds. Redemption Requests must be for either a number of Shares or an amount denominated in the Reference Currency of the Sub-Class of the relevant Sub-fund.

### **Redemption Price**

- 7.3 A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the Dealing Day for the relevant Class in the Sub-fund in respect of which the Shares are actually repurchased less the Redemption Fee (if any) and any tax or duty imposed on the redemption of the Shares. **The Net Asset Value at the date of an Investor submitting its Redemption Request may be fundamentally different from the Net Asset Value, and thus the proceeds from redemption, upon the date on which Shares are actually repurchased.**

### **Redemption Fee**

- 7.4 The Fund reserves the right to impose a redemption charge of up to such percentage of the NAV per Share as set out in the Special Sections to be redeemed on a Dealing Day (the **Redemption Fee**). Whether a Redemption Fee is payable, under which conditions and at which rate will be set out in the Special Sections.

### **Suspension of redemption**

- 7.5 Redemption of Shares may be suspended for certain periods of time as described under Section 12 of the General Section.

### **Payment of redemption proceeds – Redemption in-kind**

- 7.6 Subject to the provisions set out in this Section 7, redemption proceeds will be paid within such period as set out in the Special Sections.
- 7.7 The Fund represented by its General Partner may, at the request of a Shareholder, agree to make, in whole or in part, a redemption in-kind of securities or other assets of the Sub-fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The General Partner will agree to do so if it determines that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-fund. Such redemption will be effected at the Net Asset Value per Share of the relevant Class of the Sub-fund from which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Sub-fund's assets in terms of value. The assets to be transferred to such Shareholder will be determined by the General Partner, with regard to the practicality of transferring such assets and to the interests of the Sub-fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The valuation of assets will be subject to the review and approval of the Auditor, such audit costs being supported by the relevant Shareholder.

## **Compulsory redemption**

- 7.8 Shares may be redeemed at the initiative of the General Partner in accordance with, and in the circumstances set out under, article 8 of the Articles and this Memorandum. The Fund may in particular decide to:
- (a) redeem Shares of any Class and Sub-fund, on a pro rata basis among Shareholders in order to distribute proceeds generated by an investment through returns or its disposal on a pro rata basis among Shareholders, subject to compliance with the relevant distribution scheme (and, as the case may be, reinvestment rights) as provided for each Sub-fund in the relevant Special Section, if any;
  - (b) compulsory redeem Shares:
    - (i) held by a Restricted Person as defined in, and in accordance with the provisions of, Section 8 of this General Section;
    - (ii) in case of liquidation or transfer of Sub-funds or Classes, in accordance with the provisions of Section 18 of this General Section;
    - (iii) held by a Shareholder who fails to make, within a specified period of time determined by the Fund, any payments to the relevant Sub-fund (including the payment of any interest amount or charge due in case of default), in accordance with the terms of its Subscription Agreement to the relevant Sub-fund in accordance with the provisions of the relevant Sub-fund's Special Section;
    - (iv) in all other circumstances, in accordance with the terms and conditions set out in the Subscription Agreement, Articles and this Memorandum.

## **8. OWNERSHIP RESTRICTIONS**

### **Restricted Persons**

- 8.1 The Fund may restrict or prevent the ownership of Shares by any Person if:
- (a) in the opinion of the General Partner such holding may be detrimental to the Fund or any Sub-fund;
  - (b) it may result (either individually or in conjunction with other Investors in the same circumstances) in:
    - (i) the Fund or a Sub-fund incurring any liability for any taxation whenever created or imposed and whether in Luxembourg, or elsewhere or suffering pecuniary disadvantages which the same might not otherwise incur or suffer; or
    - (ii) the Fund or a Sub-fund being required to register its Shares under the laws of any jurisdiction other than Luxembourg;
  - (c) it may result in a breach of any law or regulation applicable to the relevant individual or legal entity itself, the Fund, the General Partner or any Sub-fund, whether Luxembourg Law or other law (including anti-money laundering and terrorism financing laws and regulations);
  - (d) such person is not a Well-Informed Investor;

(such individual or legal entities are to be determined by the General Partner and are defined herein as **Restricted Persons**) provided that any person mentioned under item (d) will automatically be a Restricted Person.

### **Specific mechanisms to restrict or prevent the ownership of Shares by Restricted Persons**

8.2 For such purposes the Fund may:

- (a) decline to issue any Shares and decline to register any Transfer of Shares, where such registration, or Transfer would result in legal or beneficial ownership of such Shares by a Restricted Person; and
- (b) at any time require any person whose name is entered in the register of Shareholders or who seeks to register a Transfer in the register of Shareholders to deliver to the Fund any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such Shareholder's Shares rests with a Restricted Person, or whether such registration will result in beneficial ownership of such Shares by a Restricted Person.

8.3 If it appears that a Shareholder of the Fund is a Restricted Person, the Fund will be entitled to, in its absolute discretion:

- (a) decline to accept the vote of the Restricted Person at the General Meeting; and/or
- (b) retain all dividends paid and to be paid or other sums distributed and to be distributed with regard to the Shares held by the Restricted Person; and/or
- (c) instruct the Restricted Person to sell his/her/its Shares and to demonstrate to the Fund that this sale was made within thirty (30) days of the sending of the relevant notice subject each time to the applicable restrictions on transfer as set out in Section 9 of this General Section; and/or
- (d) compulsorily redeem all Shares held by the Restricted Person at a price based on the latest calculated Net Asset Value, less a penalty fee equal to, in the absolute discretion of the General Partner, the greater of either (i) 3% of the Net Asset Value of the relevant Shares or (ii) the costs incurred by the Fund as a result of the holding of Shares by the Restricted Person (including all costs linked to the compulsory redemption).

## **9. TRANSFER OF SHARES**

9.1 No Transfer of all or any part of any Investor's Shares in any Sub-fund, whether direct or indirect, voluntary or involuntary (including, without limitation, to an Affiliate or by operation of law), will be valid or effective if

- (a) the Transfer would result in a violation of any law or regulation of Luxembourg, or any other jurisdiction or subject the Fund or any Sub-fund to any other adverse tax, legal or regulatory consequences as determined by the General Partner;
- (b) the Transfer would result in a violation of any term or condition of the Articles, this Memorandum or of the relevant Subscription Agreement;
- (c) the Transfer would result in the Fund being required to register or the Shares of the Fund or any Sub-fund being subject to registration in a jurisdiction other than Luxembourg;

and

- (d) it will be a condition of any Transfer (whether permitted or required) that:
  - (i) the transferee represents in a form acceptable to the Fund that such transferee is not a Restricted Person and that the proposed Transfer itself does not violate any laws or regulations (including, without limitation, any securities laws) applicable to him/her/it;
  - (ii) the transferee is an Eligible Investor.

## **10. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS**

- 10.1 Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and its implementing Luxembourg law, the relevant Grand Ducal regulations as well as circulars and regulations of the CSSF (including CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended or supplemented from time to time)), obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the Investors. Accordingly, the Central Administration and the Fund must make a due diligence on Investors (e.g., to provide proof of identity). In any case, the Central Administration and the Fund may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.
- 10.2 Such information will be collected for compliance reasons only and will not be disclosed to unauthorised persons.
- 10.3 In case of delay or failure by an Investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Fund nor the Central Administration have any liability for delays or failure to process deals as a result of the Investor providing no or only incomplete documentation.

## **11. CALCULATION OF NAV**

### **General**

- 11.1 The Fund, each Sub-fund and each Class (or Sub-Class) have a Net Asset Value determined in accordance with Luxembourg Law and the Articles. The Reference Currency of the Fund is the EUR.

### **Calculation of the NAV**

- 11.2 The Net Asset Value of each Class in each Sub-fund will be calculated in the Reference Currency of the Sub-fund or Class in good faith in Luxembourg for each Valuation Day as stipulated in the relevant Special Section.
- 11.3 The Central Administration will, under the supervision of the AIFM, compute the NAV per Class in the relevant Sub-fund as follows: each Class participates in the Sub-fund according to the portfolio and distribution entitlements attributable to each such Class. The value of the total portfolio and distribution entitlements attributed to a particular Class of a particular Sub-fund on a given Valuation Day adjusted with the liabilities relating to that Class on that Valuation Day represents the total Net Asset Value attributable to that Class of that Sub-fund on that Valuation Day. The assets of each Class

will be commonly invested within a Sub-fund but subject to different fee structures, distribution, marketing targets, currency or other specific features as it is stipulated in the relevant Special Section. A separate Net Asset Value per Share, which may differ as consequence of these variable factors, will be calculated for each Class as follows: the Net Asset Value of that Class of that Sub-fund on that Valuation Day divided by the total number of Shares of that Class of that Sub-fund then outstanding on that Valuation Day.

- 11.4 The value of all assets and liabilities not expressed in the Reference Currency of a Sub-fund or Class will be converted into the Reference Currency of such Sub-fund or Class at the relevant rates of exchange prevailing on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined with prudence and in good faith by or under procedures established by the General Partner. All transactions in another currency are translated into the Reference Currency at the date of the transaction.
- 11.5 If, within a Class several Sub-Classes have been created, the allocation rules set out above will apply similarly to these Sub-Classes.
- 11.6 For the purpose of calculating the NAV per Class of a particular Sub-fund, the Net Asset Value of each Sub-fund will be determined by calculating the aggregate of:
- (a) the value of all assets of the Fund which are allocated to the relevant Sub-fund in accordance with the provisions of the Articles; less
  - (b) all the liabilities of the Fund (including as the case may be any accrued Reserve in accordance with Section 24) which are allocated to the relevant Sub-fund in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-fund, which fees have accrued but are unpaid on the relevant Valuation Day.
- 11.7 The total net assets of the Fund will result from the difference between the assets (including the market value of Investments owned by the Fund) and the liabilities of the Fund (as described under Section 23 below), provided that the set up costs for the Fund and any Sub-fund will be amortised over a period of five (5) years rather than expensed in full when they are incurred.
- 11.8 The External AIFM is responsible for the valuation policy of the basis and has established the Valuation Policy on the basis of the following principles:
- (a) securities listed on an official stock exchange or dealt on any other organised market will be valued at their last available price in Luxembourg on the Valuation Day and, if the security is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the External AIFM or any other agent appointed by the External AIFM for such purposes;
  - (b) securities which are not listed on a stock exchange nor dealt in on another regulated market will be valued on the basis of their fair value estimated with prudence and in good faith by the External AIFM or any other agent appointed by the External AIFM for such purposes;
  - (c) shares and units in an open-ended Target UCI that calculates a net asset value will be valued on the basis of the latest net asset value;
  - (d) the value of any cash in hand or on deposit, bills and demand notes and accounts, receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received will be deemed to be the full amount thereof, unless it is unlikely to be received in

which case the value thereof will be arrived at after making such discount as the General Partner may consider appropriate in such case to reflect the true value thereof;

- (e) the liquidating value of financial instruments not dealt in on a stock exchange or another regulated market will mean their net liquidating value determined, pursuant to the policies established by the External AIFM or any other agent appointed by the External AIFM for such purposes, on a basis consistently applied for each different variety of contracts. The liquidating value of financial instruments dealt in on a stock exchange or another regulated market will be based upon the last available settlement prices of these contracts on such regulated market on which the particular financial instruments are dealt in by the relevant Sub-fund; provided that if a financial instrument could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract will be such value as the External AIFM may deem fair and reasonable;
- (f) all other assets are valued at fair value as determined in good faith pursuant to procedures established by the External AIFM.

11.9 The External AIFM, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Fund in compliance with Luxembourg Law. This method will then be applied in a consistent way. The Central Administration can rely on such deviations as approved by the Fund for the purpose of the Net Asset Value calculation.

11.10 For the purpose of determining the value of the Fund's assets, the Central Administration, having due regards to the standard of care and diligence in this respect, may exclusively, when calculating the Net Asset Value, rely upon the valuations provided (i) by the External AIFM, (ii) by various pricing sources available on the market such as pricing agencies (e.g., Bloomberg or Reuters) or administrators or investment managers of Target UCI, or (iii) by (a) specialist(s) duly authorised to that effect by the General Partner or the External AIFM.

11.11 In such circumstances, the Central Administration will not, in the absence of manifest error on its part, be responsible for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value and the Net Asset Value per Share resulting from any inaccuracy in the information provided by the professional pricing sources, by the External AIFM, by investment managers or administrative agents of Target UCIs, or by specialist(s) duly authorised to that effect by the General Partner or the External AIFM.

11.12 In circumstances where one or more pricing sources fails to provide valuations to the Central Administration preventing the latter to determine the subscription and redemption prices, the Central Administration will inform the External AIFM thereof and the Central Administration will obtain from it authorised instructions in order to enable it to finalise the computation of the Net Asset Value and the Net Asset Value per Share. The General Partner may decide to suspend the Net Asset Value calculation, in accordance with the relevant provisions in this Memorandum and the Articles. In such circumstances, the Central Administration will not, in the absence of manifest error on its part, be responsible for any loss suffered by the Fund or any Shareholder. The General Partner will be responsible for notifying the suspension of the Net Asset Value calculation to the Shareholders, if required, or for instructing the Central Administration to do so. If the General Partner does not decide to suspend the Net Asset Value calculation in a timely manner, it will be liable for all the consequences of a delay in the Net Asset Value calculation, and the Central Administration may inform the relevant authorities and the Auditor in due course.

11.13 The value of all assets and liabilities not expressed in the currency of denomination of the relevant Shares will be converted into such currency at the relevant rates of exchange ruling in Luxembourg

on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined with prudence and in good faith by or under procedures established by the External AIFM or the General Partner.

#### 11.14 Allocation of assets and liabilities

- (a) The assets and liabilities of the Fund will be allocated as follows:
  - (i) the proceeds to be received from the issue of Shares of any Class will be applied in the books of the Fund to the Sub-fund corresponding to that Class, provided that if several Classes are outstanding in such Sub-fund, the relevant amount will increase the proportion of the net assets of such Sub-fund attributable to that Class;
  - (ii) the assets and liabilities and income and expenditure applied to a Sub-fund will be attributable to the Class or Classes corresponding to such Sub-fund;
  - (iii) where any asset is derived from another asset, such asset will be attributable in the books of the Sub-fund to the same Class or Classes as the assets from which it is derived and on each revaluation of such asset, the increase or decrease in value will be applied to the relevant Class or Classes;
  - (iv) where the Fund incurs a liability in relation to any asset of a particular Class or particular Classes within a Sub-fund or in relation to any action taken in connection with an asset of a particular Class or particular Classes within a Sub-fund, such liability will be allocated to the relevant Class or Classes within such Sub-fund;
  - (v) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Class, such asset or liability will be allocated to all the Classes pro rata to their respective net asset values or in such other manner as determined by the General Partner acting in good faith;
  - (vi) upon the payment of distributions to the Shareholders of any Class, the net asset value of such Class will be reduced by the amount of such distributions.

#### 11.15 General rules

- (a) All valuation regulations and determinations will be interpreted and made in accordance with Luxembourg Law.
- (b) The latest Net Asset Value will be made available to Investors at the registered office of the Fund and the Central Administration. Because of normal processing requirements, it is expected that computations of net asset value governing subscriptions and redemptions of Shares will normally be completed on the next Business Day following each Dealing Day (subject to the timely receipt of estimated valuations). Hence, the NAV as of any Dealing Day will be made available to Investors the next Business Day following the relevant Dealing Day unless otherwise set out in the relevant Special Section for a particular Sub-fund.
- (c) For the avoidance of doubt, the provisions of this Section 11 are rules for determining the NAV per Share and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of the Fund or any Shares issued by the Fund.
- (d) Different valuation rules may be applicable in respect of a specific Sub-fund as further laid down in the relevant Special Section.

- (e) With respect to the protection of Investors in case of Net Asset Value calculation error, the Fund will comply with the principles and rules set out in Part I of CSSF Circular 02/77, subject to what is specified in each Special Section.

## **12. SUSPENSION OF THE NET ASSET VALUE, REDEMPTION AND SUBSCRIPTION OF SHARES**

### **Suspension events**

12.1 The Fund represented by the General Partner may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-fund and/or the issue of the Shares of such Sub-fund to subscribers and/or the redemption of the Shares of such Sub-fund from its Shareholders as well as conversions of Shares of any Class in a Sub-fund:

- (a) when disposal of the assets of the Fund attributable to such Sub-fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders and when for any reason the Fund determine that such suspension is in the best interests of Investors;
- (b) if, as a result of exchange restrictions or other restrictions affecting the transfer of Investments, transactions for the account of the Sub-fund are rendered impracticable or if purchases and sales of the Fund's assets attributable to such Sub-fund cannot be effected at normal rates of exchange;
- (c) when the value of a substantial part of the Investments of the Sub-fund may not be determined accurately or when the net asset value calculation of, and/or the redemption right of Investors in, one or more Target UCIs representing a substantial portion of the assets of the relevant Sub-fund is suspended;
- (d) in accordance with, and in the circumstances set out under, Section 11.12 of the General Section;
- (e) when the suspension is required by law or legal process;
- (f) when for any reason and in its absolute discretion the Fund determine that such suspension is in the best interests of Shareholders;
- (g) upon the publication of a notice convening a general meeting of Shareholders for the purpose of winding-up the Fund.

### **Notification and effects of suspension**

12.2 Any such suspension will be notified by the Fund or the Central Administration in such manner as they may deem appropriate to the persons likely to be affected thereby. The Fund or the Central Administration will notify Shareholders requesting redemption or conversion of their Shares of such suspension. Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-fund.

12.3 Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-fund, in which case Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund or the Central Administration during the suspension period, such application will be dealt with on the first Dealing Day, as determined for each relevant Sub-fund, following the end of the period of suspension.

### **13. GENERAL MEETING OF THE FUND**

- 13.1 The annual General Meeting will be held each year in Luxembourg within six months after the end of the Financial Year.
- 13.2 Other meetings of the Shareholders may be held at such place and time as may be specified in the respective convening notices of the meeting.
- 13.3 Notices for each General Meeting will be sent to the Shareholders in compliance with the provisions of the Companies Act. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission and will refer to the requirements of Luxembourg Law with regard to the necessary quorum and majorities required for the meeting. If all Shareholders are present or represented at a General Meeting, and consider themselves as being duly convened and informed of the agenda of the meeting, the meeting may be held without prior notice. The requirements as to attendance, quorum and majorities at all General Meetings are those set in the Companies Act and the Articles.
- 13.4 Except as otherwise required by the Companies Act or as otherwise provided in the Articles, resolutions at a duly convened General Meeting will be passed by a simple majority of those present or represented and voting.
- 13.5 To the extent permitted by law, the convening notice to a General Meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the **Record Date**) in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date.

### **14. FINANCIAL YEAR**

The Financial Year will begin on 1 January and terminate on 31 December of each year, except for the first financial year which started on the date of establishment of the Fund and ended on 31 December 2016.

### **15. PERIODIC REPORTS**

- 15.1 The Fund will publish annually a report on the Fund's activities, on its investments and on the management of its investments (the **Annual Report**). The report will include, *inter alia*, audited financial statements, a description of the assets of the Fund, a report from the Auditor and a calculation of the value of the assets of the Fund as per the Financial Year end and all information to be covered pursuant to the AIFM Rules. The Annual Report will include separate information in respect of each Sub-fund of the Fund and combined information on all Sub-funds.
- 15.2 Any other financial information concerning the Fund, including the periodic calculation of NAV and the issue price of Shares, will be made available at the registered office of the Fund and the Central Administration. Any other substantial information concerning the Fund may be published in such newspaper(s) and notified to Shareholders in such manner as may be specified from time to time by the General Partner.
- 15.3 The Annual Report will be sent to all Shareholders and will be submitted to the annual General Meeting for approval within six months after the end of each Financial Year. At least fifteen (15) days prior to the annual General Meeting, the balance sheet, the profit and loss account, the reports of the General Partner and of the Auditor and such other documents as may be required by law will be deposited at the registered office of the Fund where they will be available for inspection by the Shareholders during regular business hours.

- 15.4 All documents and information that must be made available to Shareholders, in accordance with article 21 of the 2013 Act, may be obtained by the Shareholders free of charge, during usual business hours, subject to a two Business Days prior written notice, at the registered office of the Fund or the Central Administration in Luxembourg. These documents and information include *inter alia*:
- (a) this Memorandum;
  - (b) the Articles;
  - (c) the Depositary Agreement;
  - (d) Other Fund Service Agreements;
  - (e) A description of the Fund's liquidity risk management, the Valuation Policy and the identification of any conflicts of interest that may arise from delegations of the External AIFM's functions;
  - (f) a description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with the AIFM Rules (or a confirmation that no such arrangement exists);
  - (g) the latest Net Asset Value of the relevant Class within the relevant Sub-fund;
  - (h) the historical performance of the relevant Sub-fund;
  - (i) the effective level of Leverage employed by the Fund (and each Sub-fund) and calculated in accordance with the gross and commitment methods; and
  - (j) the latest available Annual Report.
- 15.5 The key information document (**KID**) is made available free of charge at the registered office of the Fund in Luxembourg.
- 15.6 The External AIFM will make available to Investors upon request a summary description of the Voting Policy and details of the actions taken on the basis of that Voting Policy.

## **16. PERIODIC DISCLOSURES TO SHAREHOLDERS**

- 16.1 In accordance with the provisions of the AIFM Rules, the External AIFM will make available to the Shareholders (of the relevant Sub-fund, as the case may be), in accordance with article 21 of the 2013 Act, upon request at the registered office of the Fund:
- (a) any changes to the maximum expected level of Leverage that may be incurred by a Sub-fund, as set out in the relevant Special Section;
  - (b) if applicable, a description of any right to reuse collateral and granted guarantee;
  - (c) any change to the arrangements made by the Depositary to contractually discharge itself of liability in accordance with the AIFM Rules; and
  - (d) the percentage of a Sub-fund's assets which are subject to special arrangements arising from their illiquid nature;
  - (e) any new arrangements for managing the liquidity of a Sub-fund;

- (f) the current risk profile of the Fund (and each Sub-fund);
  - (g) the total amount of Leverage employed by the Fund (and each Sub-fund) and calculated in accordance with the gross and commitment methods;
  - (h) any material changes in the information listed in article 23 of the AIFM Directive over a relevant Financial Year;
  - (i) any other material conflicts of interest identified by the External AIFM under article 14.1, para. 3 of the AIFM Directive.
  - (j) the total amount of remuneration for the relevant Financial Year, split into fixed and variable remuneration, paid by the External AIFM to its staff, and number of beneficiaries; and
  - (k) the aggregate amount of remuneration broken down by senior management and members of the staff of the External AIFM whose actions have a material impact on the risk profile of the Fund.
- 16.2 In addition, the External AIFM will inform Shareholders of the general nature or sources of conflicts of interest to the extent the External AIFM's organisational arrangements established to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that any risks of damage to the Shareholders' interests will be prevented.
- 16.3 The information referred to in article 21 of the 2013 Act is made available to Shareholders in this Memorandum, in the Annual Report, through *ad hoc* notification or reports or upon request prior to their investment at the registered office of the Fund.

## **17. DIVIDENDS**

- 17.1 Dividends may be distributed, either in cash or Shares in accordance with the 2007 Act and the Companies Act. Dividends may include a capital distribution, provided that after distribution the share capital of the Fund totals more than EUR 1,250,000.
- 17.2 The General Partner may determine to the payment of interim dividends in the form and under the conditions as provided by law.
- 17.3 The General Partner may issue Accumulation Class and Distribution Class within the Classes of each Sub-fund, as indicated in the Special Section. Accumulation Classes capitalise their entire earnings whereas Distribution Classes pay dividends.
- 17.4 For Distribution Classes, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the General Partner within the conditions set forth by law, as further described in the relevant Special Section.
- 17.5 Payments will be made in the Reference Currency of the relevant Sub-fund and/or Class. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-fund.
- 17.6 Dividends may be declared separately in respect of each Sub-fund by a resolution of the Shareholders of the Sub-fund concerned at the annual General Meeting.

## **18. DISSOLUTION/LIQUIDATION**

### **Dissolution and liquidation of the Fund**

- 18.1 In the event of a voluntary liquidation, the Fund will, upon its dissolution, be deemed to continue to exist for the purposes of the liquidation. The operations of the Fund will be conducted by one or several liquidators, who, after having been approved by the CSSF, will be appointed by a General Meeting, which will determine their powers and compensation.
- 18.2 Should the Fund be voluntarily liquidated, then its liquidation will be carried out in accordance with the provisions of the 2007 Act and the Companies Act. The liquidation report will be audited by the Auditor.
- 18.3 If the Fund were to be compulsorily liquidated, the provision of the 2007 Act will be applicable.
- 18.4 If the share capital of the Fund falls below two-thirds of the minimum capital prescribed by law (i.e. EUR 1,250,000), the General Partner must submit the question of the Fund's dissolution to a General Meeting for which no quorum is prescribed and which will pass resolutions by simple majority of the Shares represented at the meeting.
- 18.5 If the share capital of the Fund falls below one-fourth of the minimum capital prescribed by law, the General Partner must submit the question of the Fund's dissolution to a General Meeting for which no quorum is prescribed. A resolution dissolving the Fund may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.
- 18.6 The meeting must be convened so that it is held within a period of forty days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.
- 18.7 The issue and redemption of Shares by the Fund will cease on the date of publication of the notice of the General Meeting, to which the dissolution and liquidation of the Fund will be proposed. The proceeds of the liquidation of each Sub-fund, net of all liquidation expenses, will be distributed by the liquidators among the holders of Shares in each Class of each Sub-fund in accordance with their respective rights. The amounts not claimed by Investors at the end of the liquidation process will be deposited, in accordance with Luxembourg law, with the *Caisse de Consignation* in Luxembourg until the statutory limitation period has lapsed.

### **Termination of a Sub-fund, Class or Sub-Class**

- 18.8 In the event that, for any reason, the value of the total net assets in any Sub-fund or the value of the net assets of any Class or Sub-Class within a Sub-fund has decreased to, or has not reached, an amount determined by the General Partner or its delegate to be the minimum level for such Sub-fund, or such Class or Sub-Class, to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, or whenever the interest of Shareholders of the same Sub-Fund or Class demands so, the General Partner may decide to offer to the Investors of such Sub-fund the conversion of their Shares into Shares of another Sub-fund under terms fixed by the General Partner or to redeem all the Shares of the relevant Class or Classes (or Sub-Class(es)) at the latest Net Asset Value per Share (taking into account actual realisation prices of Investments and realisation expenses). The Fund will serve a notice to the Investors of the relevant Class or Classes (or Sub-Class(es)) prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Shareholders will be notified in writing.

- 18.9 Notwithstanding the powers conferred to the General Partner by the preceding paragraph, the General Meeting of any Class or Sub-Class or of any Sub-fund will, in any other circumstances, have the power, upon proposal from the General Partner, to redeem all the Shares of the relevant Sub-fund or Class or Sub-Class and refund to the Shareholders the latest Net Asset Value of their Shares (taking into account actual realisation prices of Investments and realisation expenses). There will be no quorum requirements for such General Meeting, which will decide by resolution taken by simple majority of those present or represented and voting at such meeting.
- 18.10 Any request for subscription and redemption of Shares will be suspended as from the moment of the announcement of the termination or the merger of the relevant Sub-fund.
- 18.11 Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Fund will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they will be forfeit.
- 18.12 All redeemed Shares will be cancelled.

#### **Contribution, division or Transfer of Sub-funds, Classes or Sub-Classes**

- 18.13 Under the same circumstances as provided under Section 18.8 of this General Section, the General Partner may decide to allocate the assets of any Sub-fund to those of another existing Sub-fund within the Fund or to another undertaking for collective investment organised under the provisions the 2007 Act or of Part II of the 2010 Act or to another sub-fund within such other undertaking for collective investment (the **new Sub-fund**) and to redesignate the Shares of the Sub-fund concerned as Shares of another Sub-fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to the relevant Shareholders). Such decision will be notified in the same manner as described under Section 18.8 of this General Section one month before its effectiveness (and, in addition, the publication will contain information in relation to the new Sub-fund), in order to enable Shareholders to request redemption of their Shares, free of charge, during such period.
- 18.14 Notwithstanding the powers conferred to the General Partner by Section 18.13 of this General Section, a contribution of the assets and liabilities attributable to any Sub-fund to another Sub-fund within the Fund may, in any other circumstances, be decided upon by a General Meeting of the Sub-fund or Class concerned for which there will be no quorum requirements and which will decide upon such contribution by resolution taken by simple majority of those present or represented and voting at such meeting.
- 18.15 Furthermore, in other circumstances than those described in Section 18.8 of this General Section, a contribution of the assets and of the liabilities attributable to any Sub-fund to another undertaking for collective investment referred to in Section 18.13 of this General Section or to another sub-fund within such other undertaking for collective investment will require a resolution of the Shareholders of the Class or Sub-fund concerned taken with 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented and voting, except when such contribution is to be implemented with a Luxembourg undertaking for collective investment of the contractual type (*fonds commun de placement*) or a foreign based undertaking for collective investment, in which case resolutions will be binding only on such Shareholders who have voted in favour of such contribution.

### **19. TAXATION**

The information set forth below is based on law and administrative practice in Luxembourg as at the date of this Memorandum and may be subject to modification thereof.

## **Luxembourg**

- 19.1 The Fund's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.01% p.a. on net assets, payable quarterly. In case some Sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the subscription tax provided for by the 2007 Act, the 2010 Act or the 2016 Act, no subscription tax is due from the Fund on the portion of assets invested therein.
- 19.2 The Fund's income is not taxable in Luxembourg. Income received from the Fund may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Fund.
- 19.3 Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, redeeming, converting, transferring or selling any Shares under the laws of their countries of citizenship, residence or domicile.
- 19.4 Under current legislation, Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg, except for (i) those Shareholders domiciled, resident or having a permanent establishment in Luxembourg or (ii) in some limited cases some former residents of Luxembourg, who hold 10% or more of the issued share capital of the Fund.

## **Exchange of information for tax purposes**

- 19.5 The Fund may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 18 December 2015 implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "Common Reporting Standard"), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.
- 19.6 Each Shareholder and prospective investor agrees to provide, upon request by the Fund (or its delegates), any such information, documents and certificates as may be required for the purposes of the Fund's identification and reporting obligations under any AEOI Law. The Fund reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Fund (or its delegates) has reason to believe that the information, documents or certificates provided to the Fund (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Fund (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Fund nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Fund (or its delegates). Any Shareholder failing to comply with the Fund's information requests may be charged with any taxes and penalties imposed on the Fund attributable to such Shareholder's failure to provide complete and accurate information.
- 19.7 Each Shareholder and prospective investor acknowledges and agrees that the Fund will be responsible to collect, store, process and transfer the relevant information, including the personal data, in

accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

### **FATCA Compliance**

- 19.8 The Foreign Account Tax Compliance provisions (FATCA) of the recently enacted Hiring Incentives to Restore Employment Act (HIRE) generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including interest and dividends) and gross proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends (**Withholdable Payments**). As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported to the IRS. The new rules generally apply to Withholdable Payments made after 31 December 2013.
- 19.9 Under the new rules, Withholdable Payments to the Fund generally will be subject to a 30% withholding tax unless an agreement is in effect between the Fund and the IRS pursuant to which the Fund agrees to report to the IRS information about its U.S. Holders and certain U.S. persons that indirectly hold an interest in the Fund through a non-U.S. holder, and to comply with other reporting, verification, due diligence and other procedures to be established by the IRS, including a requirement to seek waivers of non-U.S. laws that would prevent the reporting of such information. The IRS may terminate an agreement upon a determination by the IRS that the Fund is out of compliance with the agreement. An Investor will be required to provide such information and comply with such procedures as may be required under the provisions of the new rules, including in the case of a non-U.S. Investor, information regarding certain U.S. direct and indirect owners of the Investor. The failure of an Investor to comply with these provisions may result in other adverse consequences applying to such Investor, including compulsory redemption and such other penalties under this Memorandum or pursuant to the Subscription Agreement. Although the Fund expects that it will submit an application to enter into an agreement with the IRS, the Fund cannot ensure that it will be able to satisfy the conditions for entering into and complying with the agreement (for example, if Investors do not provide the required information).
- 19.10 Even if an agreement is in effect between the Fund and the IRS, payments from the Fund to an Investor that are attributable to Withholdable Payments will be subject to a 30% withholding tax if the Investor fails to provide information regarding certain U.S. direct and indirect owners of the Investor (or, in certain circumstances, waivers of non-U.S. law to permit such reporting). The failure of an Investor to comply with these provisions may result in other adverse consequences applying to such Investor, including compulsory redemption and such other penalties under this Memorandum or pursuant to the Subscription Agreement.
- 19.11 An Investor may or may not be able to obtain a credit for or refund of any amounts withheld, depending on the Investor's particular situation. The new rules may apply to certain non-U.S. entities held by the Fund if they receive Withholdable Payments.

### **FATCA and tax information**

- 19.12 An Investor will be required to comply with procedures as may be required under the provisions of the new rules related to the FATCA provisions of HIRE, and will be required to provide information to the Fund including in the case of a non-U.S. Investor, information regarding certain U.S. direct and indirect owners of the Investor. The failure of an Investor to comply with these provisions may result in withholding on payments from the Fund to the Investor or other adverse consequences applying to such Investor, including compulsory redemption and such other penalties under this Memorandum or pursuant to the Subscription Agreement. In addition, amendments may be made to the Memorandum or the Subscription Agreement to address the implementation of tax regulations including regulations

related to FATCA, and compliance with such tax regulations may increase the Fund's operating expenses.

- 19.13 To ensure compliance with requirements imposed by the US Internal Revenue Service, we inform you that any US federal income tax advice contained in this Memorandum was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding US federal tax-related penalties under the US Internal Revenue Code or (ii) promoting, marketing or recommending to another party any US federal income tax-related matters addressed herein.

#### **Other jurisdictions**

- 19.14 Interest, dividend and other income realised by the Fund on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund will pay since the amount of the assets to be invested in various countries and the ability of the Fund to reduce such taxes is not known.
- 19.15 The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective subscriber. It is expected that Investors may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Memorandum to summarise the tax consequences for each prospective Investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in an Investor's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

#### **Future changes in applicable law**

- 19.16 The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Fund is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Fund to income taxes or subject Investors to increased income taxes.
- 19.17 **THE TAX AND OTHER MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.**

#### **20. ANNOUNCEMENTS AND CONFIDENTIALITY**

- 20.1 Each Investor will keep confidential, and will not disclose, and will make reasonable efforts to ensure that every person connected with it (including its directors, managers, officers, partners, employees, agents, consultants or advisers) or any of its Affiliates will not disclose, to any Person, or use to the detriment of the Fund, the Fund Service Providers, the Managers or any of their Affiliates or any other Investor, any confidential information which may have come to its knowledge as a result of him/her/it being an Investor, concerning the affairs of the Fund, the Fund Service Providers, the Managers or any of their Affiliates, any of the other Investors, or concerning any actual or proposed Investment or disinvestment by the Fund. This will not affect any announcement or disclosure by an Investor under Section 20.2 but the Investor required to make an announcement or disclosure will consult with the General Partner insofar as is reasonably practicable and lawful before complying with such an obligation.
- 20.2 The restrictions in Section 20.1 will not restrict the disclosure by any Investor of any information, if such disclosure is permitted by any of the following provisions:

- (a) disclosure is required by any applicable law or any court of law or any relevant regulator or tax authority;
- (b) disclosure is necessary in order for an Investor to enforce its rights under the terms of this Memorandum or the Articles;
- (c) the information concerned is already in the public domain prior to disclosure (other than as a result of a breach of any obligation by any Investor);
- (d) disclosure is made to an Investor's bona fide legal, tax or accountancy advisers or auditors, provided that such disclosure is made on a confidential basis and such advisers or auditors undertake an equivalent duty of confidentiality to that set out in this Section; or
- (e) disclosure is required in good faith and only where reasonably necessary to any Affiliate of that Investor, provided that such disclosure is made on a confidential basis and such Affiliate undertakes an equivalent duty of confidentiality to that set out in this Section.

## **21. INDEMNIFICATION**

- 21.1 The members of the General Partner are entitled to be indemnified, out of the relevant Sub-fund's assets against any and all liabilities, obligations, losses, damages, fines, taxes and interest and penalties thereon, claims, demands, actions, suits, proceedings (whether civil, criminal, administrative, investigative or otherwise) and litigation costs, expenses and disbursements (including legal and accounting fees and expenses, costs of investigation and sums paid in settlement) which may be imposed on, incurred by, or asserted at any time against them in any way related to or arising out of the General Partner members being involved in the business of the relevant Sub-fund, provided that no Manager will be entitled to such indemnification for any action or omission resulting from any behaviour which qualifies as fraud, wilful misconduct, reckless disregard or gross negligence.
- 21.2 In the event of a settlement, indemnification will be provided only in connection with such matters covered by the settlement as to which the person to be indemnified did not commit such a breach of duty. To assess whether or not indemnification will be provided in these circumstances, the Fund will be advised by counsel selected in good faith. The foregoing right of indemnification will not exclude other rights to which such person may be entitled.
- 21.3 Each of the Fund Service Providers and their directors, managers, officers, agents and employees may also benefit from an indemnification from the Fund, subject to the terms and provisions of the relevant Fund Service Provider agreement.

## **22. CONFLICTS OF INTEREST**

- 22.1 The External AIFM has implemented a conflict of interest policy, pursuant to which relevant conflicts of interest are identified, managed and disclosed to the Fund (the **Conflicts of Interest Policy**). Any kind of conflict of interest is to be fully disclosed to the Board and the External AIFM. The Fund will enter into all transactions on an arm's length basis.
- 22.2 A conflict of interests will arise, *inter alia*, where a Sub-fund is presented with (i) an investment proposal involving an Investment owned (in whole or in part), directly or indirectly, by the Managers, the External AIFM or an Investor of the relevant Sub-fund, or (ii) any disposition of assets to the Managers, the External AIFM or an Investor of such Sub-fund.
- 1.1 Notwithstanding anything to the contrary herein and unless otherwise provided for in a Special Section for a particular Sub-fund or in the Conflicts of Interest Policy, the Managers, the External AIFM and/or their respective Affiliates may actively engage in transactions on behalf of other investment funds and accounts which involve the same

securities, assets and instruments in which the Sub-funds will invest. The Managers, the External AIFM and their respective Affiliates may provide portfolio management and/or investment advisory services to other investment funds and accounts that have investment objectives similar or dissimilar to those of the Sub-funds and/or which may or may not follow investment programs similar to the Sub-funds, and in which the Sub-funds will have no interest. The portfolio strategies of the Managers, the External AIFM and their respective Affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Managers, the External AIFM in managing a Sub-fund and affect the prices and availability of the securities and instruments in which such Sub-fund invests.

- 22.3 Subject to the Conflicts of interest policy, the Managers, the External AIFM and their respective Affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Sub-fund. The Managers, the External AIFM have no obligation to recommend any investment opportunities to a Sub-fund which they may recommend to other clients.
- 22.4 The Managers and the External AIFM will devote as much of their time to the activities of a Sub-fund as they deem necessary and appropriate. The Managers, the External AIFM and their respective Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Sub-fund. These activities will not qualify as creating a conflict of interest.
- 22.5 As a general rule, the Managers and the External AIFM will take all reasonable care to preserve the interests of the Fund in any of the above mentioned potential conflicts of interest.
- 22.6 Where the organisational or administrative arrangements made by the Board and the External AIFM to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the Fund or of Shareholders will be prevented, the Managers and the External AIFM will be promptly informed so as to be able to take any measure necessary to ensure that the General Partner and the External AIFM will always act in the best interests of the Fund and Shareholders.
- 22.7 The Board or the External AIFM will inform Shareholders of the situations referred to in Section 22.66 by means of any appropriate durable medium and provide the reasons for their decision.

## **23. EXPENSES**

- 23.1 The Fund will pay out of the assets of the relevant Sub-fund all expenses (directly or indirectly) incurred by it (**Expenses**) in connection with its operation and administration and that of its Investments and divestments including, without prejudice to the generality of the foregoing:
- (a) fees (including, as the case may be, Management Fees, General Partner's fees, AIFM Fees, advisory fees, Carried Interest or other performance related incentive remuneration schemes) and reasonable expenses and costs payable to the Fund Service Providers;
  - (b) any fees, costs and expenses incurred in connection with making any filings with any government body or regulatory authority as well as statutory or regulatory fees, if any, levied against or in respect of the Fund together with the costs incurred in preparing any submission required by any tax, statutory or regulatory authority;
  - (c) fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in Luxembourg and in any other country;

- (d) any costs and expenses relating to Investor relation activity, including the drafting, printing and mailing of reports and information to Investors;
- (e) any expenses incurred in connection with legal proceedings involving the Fund;
- (f) costs and expenses disbursed in connection with the day-to-day management of the Fund and the operations of the Fund and its Sub-funds' Investments, including fees and expenses in connection with Investments and disinvestments and fees paid to third party service provider (to the extent not paid for by another entity), unless otherwise stated in the relevant Special Section for a particular Sub-fund;
- (g) any fees payable to accountants, valuers and any other professional advisers;
- (h) any expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other experts and consultants;
- (i) fees, costs and expenses in relation to consultation with professional advisers, including the legal fees and expenses for the negotiation, structuring, financing and documentation in relation to the acquisition, ownership and realisation of any Investment;
- (j) fees, costs and expenses in relation to pursuing joint-venture partners and syndicating investments (including, without limitation, any such costs and expenses arising from investments which are pursued but not ultimately made by the Fund);
- (k) insurance premia incurred on behalf of the Fund (third party liability, political risks, transfer risks, commercial risks, terrorism and environmental insurance premiums and specific insurances), transfer taxes, title premiums, brokerage commissions and other closing costs and expenses payable or incurred in connection with the acquisition, ownership and realisation of any Investment;
- (l) all third party costs and expenses incurred in connection with the performance of all due diligence investigations in relation to the acquisition, ownership or realisation of any Investment or divestment (whether or not completed or realised), unless reimbursed by another person;
- (m) the fees, costs and expenses required to be paid in connection with any credit or overdraft facility or other type of borrowing arrangement, including the legal fees, costs and expenses of the lawyers for the lender(s), the fees, costs and expenses of the Fund's counsel, lender's assumption or transfer fees and required reserves;
- (n) audit expenses;
- (o) bank charges and interest;
- (p) taxes and other governmental charges;
- (q) expenses related to currency and interest hedging; and
- (r) winding-up costs.

23.2 Expenses specific to a Sub-fund or Class will be borne by that Sub-fund or Class. Expenses that are not specifically attributable to a particular Sub-fund or Class may be allocated among the relevant Sub-funds or Classes based on their net assets or any other reasonable basis given the nature of the nature of the charges.

### 23.3 Remuneration of the General Partner and the External AIFM:

The remuneration of the General Partner and the External AIFM for each Sub-fund are set out in the relevant Special Sections.

#### **Set-up Costs**

23.4 The Fund has borne any costs and expenses incurred in connection with the establishment of the Fund including any costs and expenses incurred in connection with the preparation of any offering memorandum or supplement thereto (including fees, costs and expenses of legal and tax advisers), any subscription materials and any other agreements or documents relating to the establishment and offering of Shares (**Set-up Costs**). Set-up Costs have been expected to be in the order of EUR 125,000 (excluding any applicable VAT).

23.5 Set-Up Costs have been borne by the Initial Sub-fund and will be capitalised to the extent possible and amortised over a period of five (5) years.

23.6 Expenses incurred in connection with the creation of any additional Sub-fund will be borne by the relevant Sub-fund and will be written off over a period of five (5) years. Hence, the additional Sub-funds will not bear a pro rata share of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares.

#### **Rebates and inducements**

23.7 The External AIFM and the General Partner may from time to time enter into arrangements whereby the External AIFM or the General Partner agrees that part of their fees will be redirected to one or more entities, such as business introducers, as payment for services that they have provided to or for the benefit of the Fund. The External AIFM and the General Partner may only enter into similar arrangements in accordance with applicable law and regulatory requirements (and provided that any such arrangement will be entered into in compliance with article 24 of the AIFMD-CDR and, in particular, that any such arrangement is designed to enhance the quality of the service and does not impair compliance with the External AIFM's or the General Partner's duty to act in the best interests of the Fund and the Investors). The General Partner and the External AIFM may also enter into arrangements with one or more Investors to the effect that they will rebate all or a portion of their fees to such Investor(s), each time subject to applicable regulatory requirements and provided always that these arrangements are in the best interest of the Fund and that the fair treatment of the Investors is ensured. Further information about such arrangements is available on request.

#### **Representation fees**

23.8 The Fund will pay out of its assets an annual legal representation fee to ACOLIN Fund Services AG in its capacity as Swiss Representative for the Fund.

## **24. CONTINGENT LIABILITIES**

The Fund may accrue in its (and its Sub-funds') accounts an appropriate provision for current taxes payable in the future based on the capital and income to the Valuation Day, as determined from time to time by the Fund or its delegate, as well as such amount (if any) as the Fund may consider to be an appropriate allowance in respect of any risks or liabilities of the Fund or one or more Sub-fund(s) (i.e., liabilities for past events which are definite as to their nature and are certain or probable to occur and can be measured with reasonable accuracy, which might arise during the life of the Fund and may include potential liabilities arising from any disputes (such as with a buyer or a tax authority) or as a result of any warranty or other similar arrangement arising as a result of a disposal of an Investment),

provided that for the avoidance of doubt, on the basis that the assets are held for investment, it is not expected that such provision will include any deferred taxation (any such provision being a **Reserve**).

## **25. FAIR TREATMENT OF SHAREHOLDERS**

- 25.1 Any prospective or existing investor may be granted a preferential treatment, or a right to obtain a preferential treatment, resulting in a disadvantage to certain or all of the other investors (the **Preferential Treatment**) provided, however, that such Preferential Treatment does not result in an overall material disadvantage to other investors.
- 25.2 A Preferential Treatment may consist (i) in the diminution or removal of any applicable fees, (ii) in the partial or total reimbursement or rebate of certain fees, charges and/or expenses, (iii) in preferential terms applicable to any subscription, redemption, conversion or Transfer of Shares (such as shorter or no prior notice, lower or no minimum amount requirements, lower or no gating, reduced or no side-pocketing, reduced or no pre-emption, tag-along or drag-along rights; the foregoing being illustrative and not exhaustive), (iv) in the possibility of avoiding investment in, or exposure to, certain assets, liabilities or counterparties, (v) in the access to, or increased transparency of, information related to certain aspects of a Sub-fund's portfolio or of the Fund's or its External AIFM's management or activities (whether past, present and/or future) in general, (vi) in preferential terms in relation to any distribution (whether of dividends, carried interests, liquidation proceeds or of any other amount that may be distributed by the Fund to investors), (vii) in certain preferential terms and rights (including veto) in relation to the appointment or removal of members of the Fund's or the External AIFM's governing bodies and/or internal committees, (viii) in the participation to the Fund's or its External AIFM's management or activities in general (including participation to their governing bodies and/or internal committees), (ix) in a right to veto, to postpone or to otherwise condition certain decisions or resolutions, (x) in increased or additional voting rights, (xi) in a "most favoured nation" (or similar) right, or (xii) in any other advantage or privilege that is not inconsistent with the Articles, the Memorandum and applicable laws and regulations and that may be determined from time to time by, and in the discretion of, the General Partner and/or the External AIFM.
- 25.3 A Preferential Treatment may be granted on the basis (i) of the size, nature, timing or any feature of the investment in the Fund, (ii) of the type, category, nature, specificity or any feature of the investor or investors, (iii) of the involvement in, or participation to, the Fund's or its External AIFM's management or activities (whether past, present and/or future) in general, or (iv) of any other criteria, element or feature that is not inconsistent with the Articles or with applicable laws and regulations and that may be determined from time to time by, and in the discretion of, the Fund and/or its External AIFM.
- 25.4 A Preferential Treatment may take the form (i) of a contractual arrangement, (ii) of a side letter or (iii) of the creation of a specific category of shares or Class, or may take any other form or arrangement that is not inconsistent with the Articles, the Memorandum and applicable laws and regulations and that may be determined from time to time by, and in the discretion of, the Fund and/or its External AIFM.
- 25.5 Unless otherwise provided to the contrary or required by applicable laws or regulations, the existence or introduction of a Preferential Treatment or the fact that one or more investors have been granted a Preferential Treatment does not create a right in favour of any other prospective or existing investor to claim for its benefit such a Preferential Treatment, even if, in relation to this investor, all the criteria and features on which is based the relevant Preferential Treatment are met, and even if the situation and features of this investor are identical to any of the investors to whom this Preferential Treatment has been granted.
- 1.2 Whenever the External AIFM grants a Preferential Treatment to an investor, a description of that Preferential Treatment, the type of investors who obtain such

Preferential Treatment and, where relevant, their legal or economic links with the Fund or the External AIFM, as well as any material change to this information, will to the extent required under applicable laws and regulations be disclosed or made available to investors pursuant to such means decided by the External AIFM in accordance with applicable laws and regulations. It is being understood that availability or disclosure of any information regarding Preferential Treatment may be restricted to the largest extent authorised by applicable laws and regulations.

## **26. RISK FACTORS**

### **General**

- 26.1 An investment in a Sub-fund involves certain risks relating to the particular Sub-fund's structure and investment objectives which Investors should evaluate before making a decision to invest in such Sub-fund. Investment in the Fund is only suitable for those persons who are able to bear the economic risk of the investment, understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs, and have no need for liquidity of investment. There can be no assurance that the Fund or any Sub-fund's objectives will be achieved or that there will be any return of capital.
- 26.2 Before making an investment decision with respect to Shares of any Class in any Sub-fund, prospective Investors should carefully consider all of the information set out in this Memorandum and the relevant Special Section, as well as their own personal circumstances. Prospective Investors should have particular regard to, among other matters, the considerations set out in this Section and under the heading "Specific risk factors" in the relevant Special Section. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-fund and could result in the loss of all or a proportion of an Investor's investment in the Shares of any Sub-fund. The price of the Shares of any Sub-fund can go down as well as up and their value is not guaranteed. Investors may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.
- 26.3 The risks may include or relate to equity markets, foreign exchange rates, interest rates, credit risk, counterparty risk, market volatility and political risks. The risk factors set out in the General Section and the relevant Special Section are not exhaustive. There may be other risks that a prospective Investor should consider that are relevant to its own particular circumstances or generally.
- 26.4 An investment in the Shares of any Sub-fund is only suitable for Investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment, who have sufficient resources to be able to bear any losses that may result therefrom and accept that they will have recourse only to the assets of the Sub-fund in respect of which they hold Shares as these exist at any time.
- 26.5 The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Memorandum. The following, however, does not purport to be a comprehensive summary of all the risks associated with an investment in the Shares generally. Rather, the following are only certain particular risks to which Shareholders will be subject that prospective Investors are urged to discuss in detail with their professional advisers. Prospective Investors are in particular encouraged to discuss their individual circumstances with their tax advisers before investing in the Fund.

### **Unspecified Investments**

- 26.6 As of the date of this Memorandum, no Investments have been made or committed. No assurance can be given that the Fund (or any Sub-fund thereof) will be successful in obtaining suitable Investments or, if such Investments are made, that the objectives of the Fund (or the Sub-fund) will be achieved. Prospective Investors will be unable to evaluate the economic merit of any future Investment which may be acquired. Investors must rely entirely on the judgement of the General Partner and the External AIFM with respect to the selection and acquisition of Investments.

### **General economic and market conditions**

- 26.7 The success of the Fund (and any Sub-fund)'s activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors will affect the level and volatility of security prices and liquidity of the Investments held by the Fund or its Sub-funds.
- 26.8 Unexpected volatility is likely to impair the Fund's profitability or result in its suffering losses.

### **Conflicts of interest**

- 26.9 The Fund, the General Partner and the External AIFM are and will be engaged in other business activities in addition to managing and providing advice to the Fund. It is possible that companies with whom they are associated invest by way of co-investment or otherwise in the same issues, placements and investments as the Fund, and under the same or similar conditions. It is also possible that such associated companies may have already invested in these assets or may invest into such assets at a later stage. However, the Fund, the General Partner and the External AIFM will be obliged to act and to give advice in the best interest of the Fund and its Shareholders.

### **Key persons**

- 26.10 The success of the Fund or of its Sub-funds will largely depend on the experience, relationships and expertise of the Managers (the "key persons"), which have long term experience in the respective area of investment. The performance of the Fund or any Sub-fund may be negatively affected if any of the key persons involved in the management or investment process of the Fund or particular Sub-fund would for any reason cease to be involved. Furthermore, the key persons might be involved in other businesses, including in similar projects or investment structures, and not be able to devote all of their time to the Fund or the respective Sub-fund. In addition the involvement in similar projects or investment structures may create a source for potential conflicts of interest.

### **Performance allocation and fees**

- 26.11 Certain Sub-fund may provide for the right of Shareholders to receive a performance fee, a carried interest or similar remuneration schemes. The fact that the incentive remuneration is based on the performance of the relevant Sub-fund may create an incentive for the relevant entity to cause the Sub-fund to make Investments that are more speculative than would be the case in the absence of performance-based compensation. However, such incentive may be tempered somewhat by the fact that losses will reduce the Sub-fund's performance and thus the relevant entity's remuneration scheme.

### **Distributions**

- 26.12 There can be no assurance that the operations of the Fund (or a Sub-fund thereof) will be profitable, that the Fund (or a Sub-fund thereof) will be able to avoid losses or that cash from its operations will be available for distribution to the Investors. The Fund (or a Sub-fund thereof) will have no other

source of funds from which to pay distributions to the Investors than income and gains received from Investments.

### **General investment considerations**

- 26.13 The value of an investment in any Investment may go up as well as down and involves various risks and investment considerations, some of which are highlighted below or in the relevant Special Section. There is a possibility of a total or partial loss of the invested capital. Investors should not subscribe to or invest in any Sub-fund unless they can readily bear the consequences of such loss. No guarantee or representation is made that the Sub-funds will reach their investment objectives, and investment results may vary substantially over time. In particular Investors should evaluate the risk factors discussed below which, individually or in aggregate, could have a material adverse effect on the Sub-funds or their assets and may result in the loss of the Shareholders' invested capital or lower returns than those discussed herein.
- 26.14 Additionally, each Sub-fund is primarily designed as a long-term investment and not as a trading vehicle. No Sub-fund is intended to be a complete investment program. Where the currency of any Sub-fund varies from the Investor's home currency, or where the currency of any Sub-fund varies from the currencies of the markets in which the Sub-fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

### **Holdings of Liquid Assets**

- 26.15 The Sub-funds may hold Liquid Assets for distributions and redemptions and for management purposes, on an ancillary basis. The value of these Sub-funds' holdings of Liquid Assets may be adversely affected by interest rate fluctuations, changes in rates of inflation, fluctuations in currency or exchange rates or failure by a counterparty or an investment vehicle in which one of the Sub-funds invests to perform its obligations under a contract or other agreement. Moreover, the Sub-funds could be subject to significant losses if they hold a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### **Suspensions of trading**

- 26.16 Each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Sub-funds to liquidate its positions and thereby expose them to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Sub-funds to close out positions.

### **Portfolio turnover**

- 26.17 The Sub-funds will not generally be restricted in effecting transactions by any limitation with regard to their respective portfolio turnover rates. In light of the Sub-funds' investment objectives and policies, it is possible that the portfolio turnover rates of certain Sub-funds may exceed 100% per annum, which will result in significant transaction costs for the Sub-funds.

### **Investments in emerging markets**

- 26.18 Certain Sub-funds may invest (directly or indirectly) in assets that are located in emerging markets in which case the following risk factor should be carefully reviewed by prospective Investors.
- 26.19 In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some Investors would find customary and entities in some countries may not be subject to accounting,

auditing and financial reporting standards and requirements comparable to those to which certain Investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign Investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-funds.

- 26.20 Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Fund may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.
- 26.21 Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by Sub-funds investing in emerging market securities.
- 26.22 There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

#### **Use of financial derivative instruments**

- 26.23 Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes.
- 26.24 The Fund may decide not to employ any of these strategies and there is no assurance that any derivatives strategy used by any Sub-fund will succeed. The Sub-funds' use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. The following provides a general discussion of important risk factors relating to all derivative instruments that may be used by the Sub-funds:

##### **(a) Management risk**

Derivative products are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks or bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

(b) **Credit risk**

The use of a derivative instrument involves the risk that a loss may be sustained as a result of the failure of the counterparty to make required payments or otherwise comply with the contract's terms. Additionally, credit default swaps could result in losses if the respective Sub-fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

(c) **Liquidity risk**

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

(d) **Leverage risk**

Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When the Sub-funds use derivatives for leverage, investments in the Sub-funds will tend to be more volatile, resulting in larger gains or losses in response to market changes.

(e) **Lack of availability**

Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Board may wish to retain the respective Sub-fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Sub-funds will engage in derivatives transactions at any time or from time to time. The Sub-funds' ability to use derivatives may also be limited by certain regulatory and tax considerations.

(f) **Market and other risks**

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to the Sub-funds' interest. If the Fund incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using derivatives for the Sub-funds, the Sub-funds might have been in a better position if they had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Sub-funds' investments. The respective Sub-fund may also have to buy or sell a security at a disadvantageous time or price because the Sub-fund is legally required to maintain offsetting positions or asset coverage in connection with certain derivatives transactions.

(g) **Other derivative risks**

Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indexes. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment

requirements to counterparts or a loss of value to the respective Sub-fund. Also, the value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indexes they are designed to closely track. In addition, the Sub-funds' use of derivatives may cause the Sub-funds to realise higher amounts of short-term capital gains than if the Sub-funds had not used such instruments.

(h) **Futures**

Transactions in futures contracts carry a high degree of risk. Futures usually require only a small amount of margin to be provided in comparison to the economic exposure of the future to the relevant investment, index, rates, currency or physical commodity. Therefore, investments in futures contract create a "gearing" or "leverage" effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying reference investment, index, rate, currency or physical commodity can lead to a much greater proportional movement in the value of the futures contract. This may work against the Fund as well as work for it.

(i) **Call options**

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).

(j) **Put options**

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

### **Risks related to Exchange Traded Commodities (ETCs)**

- 26.25 ETCs are asset backed securities that track the performance of an underlying commodity index including total return indices based on a single commodity. ETCs are similar to ETFs in that they are both open-ended and continuously traded, but ETCs use a secured, undated, zero coupon note structure, whereas ETFs typically use a fund structure. The risks associated with investing in ETCs include fluctuation of market prices in the underlying commodities; the payment of any amount due on an ETC is subject to the credit risk of the issuer; futures exchanges can suffer from market disruption and suspension of trading; currency risk to the extent that the Investor has a native currency other than that in which the underlying commodity is set; and ETCs may not achieve the same performance as the underlying index, due to the fees and expenses associated with ETCs.

### **Risks related to Exchange Traded Notes (ETNs)**

- 26.26 The return of ETNs is typically linked to the performance of an underlying interest such as an industry, market sector or currency. ETNs are unsecured debt obligations of an issuer. The payment of any amount due on the ETNs is subject to the credit risk of the issuer. In addition, any decline in the issuer's credit rating (or in the market's view of the issuer's creditworthiness) may adversely affect the market value of the ETN. Lastly, the ETNs may not achieve the same performance as the underlying interest, due to the fees and expenses associated with the ETNs and the difficulty of replicating the underlying interest.

### **Money market instruments**

- 26.27 The term "money market instruments" refers to a variety of short-term, liquid investments, usually with maturities of 397 days or less. Some common types are government bills and notes, which are securities issued by a government; commercial paper, which are promissory notes issued by large companies or financial firms; banker's acceptances, which are credit instruments guaranteed by banks; and negotiable certificates of deposit, which are issued by banks in large denominations. Money market securities can pay fixed, variable, or floating rates of interest. The Sub-funds are subject to income risk, which is the chance that the respective Sub-fund's income will decline because of falling interest rates. A fund's income declines when interest rates fall, because the fund then must invest in lower-yielding instruments. Because the Sub-funds' income is based at least partially on short-term interest rates – which can fluctuate significantly over short periods – income risk is expected to be high.

### **Foreign exchange/Currency risk in relation to investments**

- 26.28 Each Sub-fund may invest its assets in securities denominated in a wide range of other currencies, which might be different from the respective Reference Currency of such Sub-fund. The Net Asset Value per Share of each Sub-fund expressed in its respective Reference Currency will fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the respective Sub-fund and the currencies in which the investments are denominated. A fluctuation in foreign currencies could substantially impact the performance of the respective Sub-fund. The Fund and the External AIFM may decide, but are under no obligation, to use their best efforts to hedge investments denominated in another currency against the reference currency of the relevant Sub-fund/Class. As a consequence, Investors bear the risk of a loss consequent to a strategy exposure in a market whose trading currency differs from the reference currency of the relevant Class/Sub-fund.

### **Sub-Classes not denominated in the Reference Currency**

- 26.29 Where Shares of a Sub-fund are available in a Sub-Class which is denominated in a different currency from the Reference Currency in which the Sub-fund is denominated Investors should note that the Net

Asset Value of the Sub-fund will be calculated in the Sub-fund's Reference Currency and will be stated in the other currency by reference to the current exchange rate between the Reference Currency of the Sub-fund and such other currency. Fluctuations in that currency exchange rate may affect the performance of the Shares of that Sub-Class independent of the performance of the Sub-fund's Investments. In normal circumstances the costs and expenses of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of that Sub-Class will be borne by the relevant Sub-Class and will be reflected in the Net Asset Value of that Sub-Class.

- 26.30 Investors should note that inflows and outflows from non-Reference Currency Sub-Classes may have a greater potential to impact the price of such Shares due to the fluctuations in the relevant currency exchange rate.
- 26.31 In relation to Sub-Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Fund may employ techniques and instruments to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Sub-Class is denominated against movements in the Reference Currency of the relevant Sub-fund. These Sub-Classes will not be leveraged as a result of such currency exposure.
- 26.32 The Fund and the External AIFM may decide, but are under no obligation, to use their best efforts to hedge Sub-Classes denominated in another currency against the Reference Currency of the relevant Sub-fund. Likewise, in relation to Investments that are denominated in a currency other than the currency of any particular Sub-Class, the Fund may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the Shareholders in that Sub-Class arising out of (adverse) currency exchange rate changes. The gains, costs and expenses incurred in hedging a specific will be borne by that Sub-Class alone.

### **Redemption proceeds**

- 26.33 Redemption proceeds paid by the Fund to a Shareholder electing to redeem Shares may be less than the NAV per Share of such Shares at the time a Redemption Request is made due to fluctuations in the relevant Sub-fund's Net Asset Value between the date of the request and the applicable Dealing Day and/or the date of the actual redemption of the Shares (because a Redemption Request may be deferred in accordance with Section 7 of the General Section), or if there remains any unamortised preliminary expenses.

### **Level of redemptions**

- 26.34 Substantial redemptions of Shares within a limited period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction of the Fund's Net Asset Value could make it more difficult for the Fund to generate profits or recover losses. The Fund may impose restrictions on the amount of Shares which can be redeemed on any one Dealing Day.
- 26.35 Substantial redemptions of shares, units or interests in any Target UCI by the Fund and/or any other investor in such target fund within a short period of time could require the investment manager of such target fund, to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the shares, units or interests of such target fund. The resulting reduction in the target fund's assets could make it more difficult to generate a positive rate of return or to recover losses due to a reduced equity base.

### **Redemption in kind**

- 26.36 While the Sub-funds expect to distribute cash to a Shareholder upon a redemption of Shares, there can be no assurance that the Sub-fund will have sufficient cash to satisfy Eligible Redemption Requests, or that they will be able to liquidate investments at favourable prices at the time of such redemption request. Under the foregoing circumstances and subject to the terms of Section 7.7 of the General Section, and under other circumstances deemed appropriate by the Fund, a Shareholder may receive in specie redemptions from the respective Sub-fund's portfolio. Such investments so distributed may not be readily marketable or sellable and may have to be held by such Shareholder for an indefinite period of time. As a result, an investment in the Shares is suitable only for sophisticated Investors that do not require immediate liquidity for their investment and are able to bear the financial risks of this investment for an indefinite period of time.

### **Recourse limited to each separate Sub-funds' assets**

- 26.37 Each Sub-fund's assets, including any investments made by that Sub-fund and any cash held by that Sub-fund, are available to satisfy all liabilities and other obligations of that Sub-fund. If that Sub-fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to that Sub-fund's assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.
- 26.38 Shareholders in one Sub-fund will have recourse only to the assets of that Sub-fund, and not to any other Sub-fund, to satisfy any of its outstanding obligations.

### **Change of law**

- 26.39 The Fund must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions and limits applicable to SIFs, which might require a change in the investment policy and objectives followed by a Sub-fund.

### **Valuation**

- 26.40 The Fund will publish the Net Asset Value per Share. There can be no guarantee that an investment in the Fund could ultimately be realised at any such valuation. In the absence of bad faith or manifest error, the Central Administration's valuation determinations are conclusive and binding on all Shareholders. None of the Managers, the External AIFM or the Central Administration will be under any liability if a price reasonably believed by them to be the fair market value of a position is found not to be such.

### **Early termination**

- 26.41 In the event of the early termination of the Fund or a Sub-fund, the Fund or the relevant Sub-fund would have to distribute to the Shareholders their pro-rata interest in the assets of the Fund or the relevant Sub-fund. The Fund or the relevant Sub-fund's Investments would have to be sold by the Fund or distributed to the Shareholders. It is possible that at the time of such sale or redemption certain Investments held by the Fund or the relevant Sub-fund may be worth less than the initial cost of the Investment, resulting in a loss to the Fund or the relevant Sub-fund and to its Shareholders. Moreover, in the event the Fund or the relevant Sub-fund terminates prior to the complete amortisation of organisational expenses, any unamortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Shareholders.

### **Concentration and diversification**

- 26.42 Although the Sub-funds are subject to certain Investment Restrictions and the Special Sections describe the relevant Sub-funds diversification goals, there may be a concentration in a particular issuer, industry or country. If any Sub-fund elects to concentrate the Sub-fund's Investments in a particular issuer, industry or country the Sub-fund will become more susceptible to fluctuations in value resulting from adverse economic conditions affecting that particular issuer, industry or country.

### **Leverage**

- 26.43 While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the respective Sub-fund, in incurring debt, will be able to meet its loan obligations.
- 26.44 Leverage risk is the risk associated with the borrowing of funds and other investment techniques. Leverage is a speculative technique which may expose the respective Sub-fund to greater risk and increase its costs. Increases and decreases in the value of the Sub-fund's portfolio will be magnified when the Sub-fund uses leverage. For example, leverage may cause greater swings in the Sub-fund's Net Asset Value or cause the Sub-fund to lose more than it invested. There can be no assurance that the Sub-fund's leveraging strategy will be successful. If leverage is employed, the Net Asset Value and market value of the Shares will be more volatile, and the yield to the Shareholders will tend to fluctuate with changes in the shorter-term interest rates on the leverage. The Sub-funds will pay (and the Shareholders will bear) any costs and expenses relating to any leverage. Any decline in the Net Asset Value of the Sub-fund's investments will be borne entirely by the Shareholders. Therefore, if the market value of the respective Sub-fund's portfolio declines, the leverage will result in a greater decrease in Net Asset Value to the Shareholders than if the Sub-funds were not leveraged.

### **Nominee arrangements**

- 26.45 The Fund draws the Investors' attention to the fact that any Investor will only be able to fully exercise his Investor rights directly against the Fund, in particular the right to participate in general meetings of Shareholders, if the Investor is registered himself and in his own name in the register. In cases where an Investor invests in the Fund through a nominee, it may not always be possible for the Investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

### **Compulsory redemptions**

- 26.46 The Fund has the right to compel any Shareholder to a full redemption if in the sole and conclusive opinion of the Fund (i) such Shareholder is a non-Eligible Investor; or (ii) in such other circumstances as set out in Section 7.8 of the General Section.

### **Tax risks in general**

- 26.47 An investment in the Fund involves complex tax considerations in Luxembourg, in the countries in which Investment assets are located, in countries in which particular Investors are located, and possibly in other countries. Some of these tax considerations will differ for particular Investors. Among other things, Investors may be subject to tax on income even if the Fund does not make distributions.
- 26.48 Depending on individual circumstances, the taxation treatment for direct or indirect Investors may differ from the guidance of Section 19 of the General Section and Investors should obtain advice from their own tax advisers regarding the tax implications for them of holding and disposing of Shares and receiving distributions in respect of the Shares.

## **Risks related to ETFs**

- 26.49 Most ETFs are mutual funds whose units are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. To the extent that an ETF tracks a particular market segment, such as real estate or precious metals equities, the value of the ETF will fluctuate as the value of the particular market segment it tracks fluctuates. An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e., one that is not exchange-traded) that has the same investment objectives, strategies and policies. In addition, an ETF may fail to accurately track the market segment or index that underlies its investment objective. ETFs in which a Sub-fund or Target UCI invests may not be "actively" managed. Therefore, these ETFs would not necessarily sell a security because the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. As a result, the performance of an ETF may be lower than the performance of an actively managed fund. Some ETFs employ leverage, which can magnify the risk of the underlying market segment or index. The price of an ETF can fluctuate and a Sub-fund or a Target UCI could lose money investing in an ETF. In addition, as with traditional funds, ETFs charge asset-based fees. If a Sub-fund or a Target UCI invests in ETFs it will indirectly pay a proportional share of the asset-based fees of such ETFs. Moreover, ETFs are subject to the following risks that do not apply to conventional funds: (i) the market price of the ETF's units may trade at a premium or a discount to their net asset value; (ii) an active trading market for an ETF's units may not develop or be maintained; and (iii) there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.

## **Sustainability risks**

- 26.50 Sustainability risks are defined in Article 2 of SFDR as an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.
- 26.51 Sustainability risks (e.g. climate change, health and safety, companies with breach issues such as serious criminal penalties, etc) may represent a risk of its own and / or have an impact on other Sub-funds' risks. Therefore, sustainability risks may significantly contribute to the increase of the Sub-fund's risks, such as market risks, credit risks, liquidity risks and operational risks while negatively impacting the value and/or the return of the Sub-Funds. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

## **27. AMENDMENTS TO THE GENERAL SECTION**

### **General**

- 27.1 Subject to regulatory approval (if applicable) and applicable laws, the General Partner may amend the provisions of this General Section as follows:
- (a) if the change is determined by the Board to have a material adverse effect on Investors, only following the end of a reasonable prior notice period during which Shareholders in all Sub-funds who disagree with the changes will have the right to request the redemption of their Shares without Redemption Fee (but provided that, for the avoidance of doubt, the terms governing redemptions as applicable in each relevant Sub-fund will continue to govern such redemptions);

- (b) without the consent of Shareholders to make any change, so long as the changes do not materially adversely affect the rights and obligations of any existing Shareholders, as the case may be, including, without prejudice to the generality of the foregoing:
  - (i) to take such action in light of changing legal or regulatory conditions as is necessary in order to permit the Fund, as the case may be, to continue in existence and in compliance with applicable laws and regulations, including, without limitation, the US Investment Company Act, the US Securities Act, FATCA and ERISA and to comply with the requirements of the AIFM Directive;
  - (ii) to delete or add any provision of this General Section required to be so deleted or added by a regulatory authority, state securities commission or similar agency, which addition or deletion is deemed by such regulatory authority, commission or agency to be for the benefit or protection of the Investors;
  - (iii) to correct any clerical mistake or to correct or supplement any immaterial provision herein that may be inconsistent with any other provision herein or therein, or correct any printing, typographical, stenographic or clerical errors or omissions, that will not be inconsistent with the provisions of the General Section.

27.2 Investors will be notified by the Board of all amendments that are adopted without their consent in accordance with Section 27.1(b) of the General Section.

27.3 No variation may be made to this Section 27 without unanimous consent of all Shareholders.

## SPECIAL SECTION 1 – DCM SYSTEMATIC FUND SICAV-SIF – DIVERSIFIED ALPHA

This Special Section must be read in conjunction with the General Section of the Memorandum. This Special Section refers only to the DCM Systematic Fund SICAV-SIF – Diversified Alpha (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND STRATEGY

#### Investment Objective

- 1.1 The objective of the Sub-fund is to generate superior risk-adjusted returns so as to achieve long-term capital appreciation. The Sub-fund makes use of a systematic trading strategy (the **Model**) consisting of a collection of quantitative models (also referred to as **Sub-Strategies**) designed to offer a high level of diversification. The Model is operated by an automated process (the **Automated Process**). Sub-Strategies trade in a number of debt, equity, foreign exchange and commodity derivatives. Sub-strategies can either focus on one particular asset class or invest in assets across several asset classes. Individual buy and sell decisions within considered markets are made on a systematic basis using a wide variety of trading signals based, amongst other things, on statistical patterns in time series, economic factors, yield curve factors and term structure of derivatives. The average holding period for positions ranges from one week to a couple of months, depending on the considered Sub-Strategy.
- 1.2 The Sub-fund implements a hedge fund strategy (Managed Futures/CTA).

#### Investment Policy

- 1.3 To achieve its investment objective, the Sub-fund will mainly invest in financial derivative instruments offering an exposure to the following asset classes: commodities, equities, debt securities and currencies.
- 1.4 The Sub-fund will invest in futures and options listed on regulated exchanges as well as on over-the-counter (OTC) currency forwards. The Sub-fund may also retain amounts in Liquid Assets pending reinvestment. In the pursuit of its investment policy and due to the use of financial derivative instruments, the Sub-fund can invest up to 100% of its net assets in Liquid Assets. The Sub-fund intends to have a Margin to Equity Ratio between 5% (five percent) and 40% (forty percent), although on occasion the Margin to Equity Ratio may be higher or lower.
- 1.5 Risk allocation decisions between the asset classes and between the Sub-Strategies are based on a systematic portfolio management strategy (the **Master Risk Allocation Strategy**). The Master Risk Allocation Strategy defines risk budgets for the different asset classes and Sub-Strategies, so as to maximize the overall portfolio diversification. Within each Sub-strategy, a portfolio optimisation technique is applied to match the target risk budget defined by the Master Risk Allocation Strategy and to enforce a high degree of diversification within the markets traded by the Sub-Strategy.
- 1.6 In normal conditions, the Sub-fund will target (ex-ante) between 10% (ten percent) and 15% (fifteen percent) annualised volatility, although on occasion the annualized volatility may be higher or lower. The volatility target can become lower if this is considered appropriate to the investment objective. Initially, the Sub-fund will target approximately 12% (twelve percent) annualised volatility. Although the Master Risk Allocation Strategy will actively adjust the risk budgets to best match the target volatility, there is no guarantee on the realised volatility mistracking error.
- 1.7 For avoidance of doubt, the Sub-fund will not take physical delivery of any commodity. The External AIFM will take appropriate actions to avoid any delivery of commodities, e.g., by liquidation and rolling of positions.

- 1.8 The Sub-fund is also authorised, within the limits set forth under Section 3 of the General Section, to invest in financial derivative instruments or engage in certain techniques for currency hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures, ETFs and/or swaps on transferable securities and/or other eligible assets.

## 2. INVESTMENT RESTRICTIONS AND GUIDELINES - LEVERAGE

The Sub-fund is subject to the Investment Restrictions laid down under Section 3 of the General Section, being provided that:

- (a) the Sub-fund may use financial instruments to seek to hedge:
  - (i) Classes or Sub-Classes denominated in a currency other than the Reference Currency of the Sub-fund. The External AIFM may, but is not obliged to, employ techniques and instruments intended to provide protection so far as possible against movements of the currency in which the relevant Class or Sub-Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes or Sub-Classes; and
  - (ii) the Sub-fund exposure to currency exchange rate fluctuations resulting from participations or commitments in Investments not denominated in USD at the sole discretion of the External AIFM.
- (b) with reference to Section 3.5(d) of the General Section, the Sub-fund may borrow permanently and for investment purposes provided that the Sub-fund does not intend to incur a level of borrowing in excess of 10% of its NAV;
- (c) the Sub-fund may not enter into direct short sales but may seek short exposure through the use of financial derivative instruments;
- (d) with reference to Section 3.5(j) of the General Section, the Investment Restrictions may not be complied with during a transitional period of 6 months as from the last date of the Sub-fund's Initial Offering Period.

## 3. AUTOMATED PROCESS

### Day-to-day management

- 3.1 The Model is run automatically by the Automated Process at a pre-specified time on any Business Day. In normal situations, trades are generated and sent out electronically to one or more brokers appointed by the Fund as brokers of the Sub-fund (the **Brokers**).
- 3.2 The Automated Process is equipped with monitoring tools which:
- (a) check the hardware status (e.g., connectivity and central processing unit (CPU) usage);
  - (b) check that the software components are running properly (e.g., databases, services);
  - (c) control the quality of the input data used by the Model (negative values, large jumps, missing values, etc.);
  - (d) check that positions and orders are within predefined bounds;

- (e) check that positions in the database reconcile with those from the Depositary and the Brokers;
- (f) allow to display in real time:
  - (i) the Automated Process status; and
  - (ii) the current positions, pending orders and the portfolio profits and losses.

3.3 At trade times, the Automated Process generates a report (the **Activity Report**) containing:

- (a) the potential issues detected by the monitoring tools (if any);
- (b) the trade instructions;
- (c) the portfolio positions;
- (d) selected risk metrics.

3.4 The External AIFM and, in particular, its risk officer will have access at any times to the Activity Reports and the monitoring tools.

#### **Abnormal situations**

3.5 If an abnormal event has been detected by the monitoring tools, an alarm is triggered and trades are suspended (i.e., trades will not be sent to the Brokers) until a manual sign-off is performed. In such a case, the External AIFM will advise on the course of action:

- (a) in case of a false alarm, sign-off and resume the Automated Process;
- (b) in case of hardware/software/data issue, decide to perform the required maintenance, as set out below.

#### **System maintenance and upgrade**

3.6 The External AIFM will appoint DCM Systematic Advisors S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Switzerland; with registered office at 28a, rue de Saint-Jean, CH-1203 Geneva, Switzerland, to perform the software maintenance of the Automated Process.

3.7 DCM Systematic Advisors S.A. will perform standard system maintenance, including:

- (a) update the operating system (e.g., security patch);
- (b) update programming language environment required to run the Model;
- (c) test the database backups and the disaster recovery plan;
- (d) test the model and its components.

3.8 In case of exceptional events due to a software issue, the External AIFM will instruct DCM Systematic Advisors S.A. to investigate and fix the problem.

3.9 Changes to the Model decided by the External AIFM in accordance with Section 5.2 below will be implemented by DCM Systematic Advisors S.A.

3.10 DCM Systematic Advisors S.A. will be remunerated by the External AIFM.

#### **Data sample**

3.11 The data sample used by the Model will be obtained from historical and live data of Bloomberg. The data sample includes the prices of the securities traded by the Model as well as economic and financial data required by the Sub-Strategies to generate the buy and sell decisions.

3.12 If Bloomberg is not responding, the Automated Process will switch to a secondary data provider. Once the data is fetched, a quality check, which is part of the monitoring tools, will be launched to detect potential issues (e.g., outliers, gaps, jumps, etc.). Any abnormal situation will be dealt with in accordance with Section 3.5 of this Special Section above.

### **4. LEVERAGE**

4.1 At the date of this Memorandum, the expected maximum level of Leverage for the Sub-fund is as follows:

(a) Commitment leverage ratio: 8,000% of the Net Asset Value of the Sub-fund; and

(b) Gross leverage ratio: 13,000% of the Net Asset Value of the Sub-fund.

4.2 The gross and commitment leverage ratios have been determined based on simulations of the Automated Process using historical data. The conversion methodologies, defined in AIFMD-CDR have been used to value positions on derivatives. Following these computations, it appears that a very large part of the total exposure is due to the way short-term interest rate (STIR) futures must be valued under the AIFMD-CDR.

4.3 The Automated Process will enforce ex-ante that, at each trade time, the maximum commitment and leverage ratio constraints are satisfied.

4.4 The effective level of Leverage of the Sub-fund will be available at the registered office of the Fund and of the External AIFM.

### **5. INVESTMENT PROCESS**

5.1 The Sub-fund will be managed on the basis of the Model operated by the Automated Process. All trades of the Sub-fund will be either generated by the Model or approved by the External AIFM.

5.2 The External AIFM will:

(i) approve the Model and any changes or amendments to the Model (e.g., addition of a new Sub-Strategy or amendment of an existing Sub-Strategy);

(ii) approve all deviations from the Model; and

(iii) review on a quarterly basis the Sub-fund's investment activities.

5.3 Sustainability risks are integrated into the Sub-fund's investment management process in compliance with the provisions of Article 6 of SFDR. Further information is available under Section 3 "Investment Objective, Strategy and Restrictions" and Section 26 "Risk Factors" of this Memorandum.

**6. TERM OF THE SUB-FUND**

The Sub-fund has been created for an unlimited duration.

**7. REFERENCE CURRENCY**

The Reference Currency of the Sub-fund is the USD.

**8. CLASSES OF SHARES**

8.1 In this Sub-fund, the following Classes are available to investors:

<b>Class</b>	<b>S (acc)<sup>1</sup></b>	<b>I (acc)<sup>1</sup></b>	<b>P (acc)<sup>1</sup></b>	<b>Z (acc)<sup>1</sup></b>
<b>Sub-Classes available</b>	USD EUR GBP CHF	USD EUR GBP CHF	USD EUR GBP CHF	USD EUR GBP CHF
<b>Type of Investors</b>	Well-Informed Investors	Well-Informed Investors	Well-Informed Investors	Well-Informed Investors <sup>2</sup>
<b>Minimum Subscription Amount<sup>3</sup></b>	USD 5 Mio (or equivalent amount in EUR, GBP, CHF)	USD 1 Mio (or equivalent amount in EUR, GBP, CHF)	EUR 125,000 (or equivalent amount in USD, GBP, CHF)	N/A
<b>Subscription Fee<sup>4</sup></b>	Up to 2%	Up to 2%	Up to 2%	N/A
<b>Redemption Fee<sup>4</sup></b>	Up to 2%	Up to 2%	Up to 2%	N/A
<b>Management Fee<sup>5</sup></b>	Up to 1.0% p.a. of the NAV	Up to 1.5% p.a. of the NAV	Up to 2.0% p.a. of the NAV	N/A
<b>Distribution Fee<sup>6</sup></b>	Up to 0.03% p.a. of the NAV	Up to 0.03% p.a. of the NAV	Up to 0.03% p.a. of the NAV	N/A
<b>AIFM Fee<sup>7</sup></b>	See below	See below	See below	See below
<b>Depository fees and costs<sup>8</sup></b>	See below	See below	See below	See below
<b>Central Administration fees and costs<sup>9</sup></b>	See below	See below	See below	See below

<sup>1</sup> "Acc" means "accumulation". All Classes are accumulation classes. However, the General Partner reserves however the right to make distributions of dividends from time to time when deemed in the best interest of the relevant Shareholders.

<sup>2</sup> Class Z Shares are reserved for investment by Investors who have entered into a remuneration agreement with the External AIFM.

<sup>3</sup> Should the participation of an Investor in the Sub-fund falls below the applicable Minimum Subscription Amount further to a partial redemption of Shares held in the Sub-fund, the General Partner reserves the right to compulsorily convert the Shares of the relevant Investor into Shares of another Class with a lower Minimum Subscription Amount.

<sup>4</sup> The Subscription Fee and the Redemption Fee will be allocated to the General Partner, any Distributor or sub-distributor or placement agent.

<sup>5</sup> The Management Fee is payable monthly to the General Partner and/or the External AIFM on the basis of allocation rules as agreed from time to time in writing between the General Partner and the External AIFM, and calculated on the average Net Asset Value of each Class over the relevant month.

<sup>6</sup> Subject to a minimum fee payable as follows:  
a) minimum CHF 10,000 the first year;  
b) minimum CHF 20,000 the second year;  
c) minimum CHF 30,000 the third year;

d) minimum CHF 20,000 from the fourth year.

<sup>7</sup> The AIFM Fee is payable monthly to the External AIFM and calculated on the average Net Asset Value of the Sub-fund over the relevant year at the following rates:

- in respect of net assets below EUR 25Mio: 0.20% p.a.;
- in respect of net assets in excess of EUR 25Mio but below EUR 50Mio: 0.175% p.a.;
- in respect of net assets in excess of EUR 50Mio: 0.15% p.a.;

subject to an annual minimum of EUR15,000 (excluding VAT).

<sup>8</sup> The Depositary fees and costs are payable quarterly to the Depositary and calculated on the average Net Asset Value of the Sub-fund over the relevant year at a rate of up to 0.07% subject to an annual minimum of EUR 40,000 (excluding VAT) for the safekeeping service and up to 0.01% subject to an annual minimum of EUR 10,000 (excluding VAT) for the supervisory duty. The Depositary fees do not include any volume-based and transaction related fees, fees related to additional services (including setup fees) and banking fees, reasonable disbursements and out of pocket expenses as disclosed in the Depositary Agreement.

<sup>9</sup> The Central Administration fees and costs are payable quarterly to the Central Administration and calculated on the average Net Asset Value of the Sub-fund over the relevant year at a rate of up to 0.12% subject to an annual minimum of EUR50,000 (excluding VAT). The Central Administration fees do not include any volume-based and transaction related fees, fees related to additional services (including financial statements related fees), reasonable disbursements and out of pocket expenses as disclosed in the Administration Agreement.

8.2 In addition, the Sub-fund will also issue:

- (a) one GP Share, reserved to the General Partner, which will have the same features and financial rights as Class S Shares; and
- (b) CI Shares, which will entitle their holders (the **Carry Holders**) to receive the Carried Interest, subject to the terms of Section 14 below.

8.3 The Carried Interest will be paid annually (if due in accordance with the principles set out under Section 14 below) through a compulsory redemption of Class CI Shares (generally within twenty (20) Business Days following the closing of the Calculation Period).

## 9. VALUATION DAY

The Net Asset Value will be calculated based on the last available closing prices of each Friday (each such date, a **Valuation Day**). If such Valuation Day is not a Business Day, the Net Asset Value will be calculated on the following Business Day. The last Business Day of each month will also be a Valuation Day. The Board may decide to calculate an additional Net Asset Value as of any other date. The NAV will be available at the registered office of the Fund on the following Business Day after such Valuation Day.

## 10. ONGOING SUBSCRIPTIONS

10.1 Subscriptions for Shares are accepted on each Dealing Day. Applications for subscriptions must be received by the Central Administration not later than 12 p.m. CET one (1) Business Day before the relevant Dealing Day. Applications received after that time will be processed on the next Dealing Day.

10.2 Payments for subscriptions must be received in USD, in EUR, in GBP or in CHF depending on the Sub-Class concerned, three (3) Business Days after the relevant Dealing Day (the **Ongoing Subscription Payment Deadline**).

10.3 A Subscription Fee as set out above may be levied upon subscription for Shares of the Sub-fund.

## 11. REDEMPTION

11.1 Redemption requests must be sent in writing to the Central Administration. Redemption requests must be received by the Central Administration not later than 12 p.m. CET two (2) Business Days before the relevant Dealing Day. Redemption requests received after this deadline will be processed on the next following Dealing Day.

11.2 Redemptions will be paid by the Central Administration (acting as the Fund's paying agent) in USD, in EUR, in GBP or in CHF, depending on the Sub-Class concerned, within three (3) Business Days as from the relevant Dealing Day, subject to the terms of Section 7 of the General Section.

11.3 A Redemption Fee as set out above may be levied upon redemptions of Shares of the Sub-fund. Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## 12. CONVERSION

12.1 Shares in the Sub-fund may be converted on each Dealing Day.

12.2 The Shareholders in the Sub-fund may convert all or part of their Shares into Shares of another Sub-fund or Class in accordance with Section 6 of the General Section.

12.3 Conversion requests must be received by the Central Administration no later than 12 p.m. CET one (1) Business Day before the relevant Dealing Day. Conversion requests received after this deadline will be processed on the next following Dealing Day.

12.4 A Conversion Fee in favour of the original Sub-fund or Class as set out above may be levied to cover conversion costs.

## 13. NET ASSET VALUE CALCULATION ERROR AND ACTIVE INVESTMENT RESTRICTIONS' BREACHES

For the purpose of Section 11.15(e) of the General Section, the Board will comply with the principles and rules set out in CSSF Circular 02/77, subject to what is specified here below:

- (a) the tolerance threshold applicable to the Sub-fund, as accepted by the Central Administration, will be 1% (one percent);
- (b) the correction will be made under the control of the Auditor.

## 14. CARRIED INTEREST

14.1 Carry Holders will be entitled, for each Financial Year (each a **Calculation Period**), a carried interest (the **Carried Interest**) equivalent to:

- (a) 10% of the increase in the NAV of the Shares of Class S (acc);
- (b) 15% of the increase in the NAV of the Shares of Class I (acc);
- (c) 20% of the increase in the NAV of the Shares of Class P (acc);

calculated over the relevant Calculation Period, being provided that a Carried Interest will only be due if the NAV of the relevant Class exceeds the Reference NAV.

- 14.2 No Carried Interest is due on the Class Z Shares.
- 14.3 The Carried Interest is calculated on the basis of the NAV after deduction of all expenses, liabilities, and AIFM Fee (but not the Carried Interest), and is adjusted to take account of all subscriptions, redemptions, dividends and distributions (if any).
- 14.4 The Carried Interest is equal to the out performance of the NAV per Share multiplied by the number of Shares of the Class outstanding in respect of the relevant Calculation Period. No Carried Interest will be due if the NAV per Share before the Carried Interest is paid turns out to be below the Reference NAV for the relevant Calculation Period.
- 14.5 The **Reference NAV** is defined as the highest of (i) the highest Net Asset Value per Share at the end of any Calculation Period on which a Carried Interest has been paid and (ii) the Initial Subscription Price per Share of the relevant Class.
- 14.6 The Reference NAV will be decreased by the dividends (if any) paid to the Shareholders.
- 14.7 Provision for the Carried Interest will be made on each Valuation Day. If the NAV per Share decreases during the Calculation Period, the provisions made in respect of the Carried Interest will be reduced accordingly. If these provisions fall to zero, no Carried Interest will be payable.
- 14.8 In the event that a Shareholder redeems Shares of the relevant Class prior to the end of a Calculation Period, the Carried Interest in respect of such Shares for which provision has been made and which are attributable to the Shares redeemed will be paid to the Shareholder at the end of the Calculation Period even if provision for the Carried Interest is no longer made at the end of the relevant Calculation Period. Gains which have not been realised may be taken into account in the calculation and payment of the Carried Interest.
- 14.9 In case of subscription, the Carried Interest calculation is adjusted to avoid that this subscription impacts the amount Carried Interest accruals. To perform this adjustment, the performance of the NAV per share against the Reference NAV until the subscription date is not taken into account in the Carried Interest calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the Net Asset Value and the Reference NAV at the date of the subscription. This cumulated adjustment amount is used for the Carried Interest calculation until the end of the relevant Calculation Period and is adjusted in case of subsequent redemptions during the relevant Calculation Period.
- 14.10 The first Calculation Period will start on 31 December 2015 and end on 31 December 2016.
- 14.11 The subsequent Calculation Periods will start from the beginning of each following Financial Year until the end of the considered Financial Year.
- 14.12 The formula for the calculation of the Carried Interest is as follows:

$$\begin{aligned}
 \text{CI} &= 0 && \text{If } (B / E - 1) \leq 0 \\
 \text{CI} &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0
 \end{aligned}$$

Number of Shares outstanding	=	A
NAV per Share before performance	=	B
Carried Interest rate (10%)	=	C
NAV per Share after performance	=	D
Reference NAV	=	E
Carried Interest	=	CI

- 14.13 The Sub-fund will issue, on the first Valuation Day following the end of the Initial Offering Period, 10,000 CI Shares to such Investors designated by the Board as Carry Holders. CI Shares will be divided into ten categories (CI-1, CI-2, CI-3, CI-4, CI-5, CI-6, CI-7, CI-8, CI-9 and CI-10) with 1,000 Shares being allocated to each category. Each category of CI Shares will correspond to a Calculation Period (CI-1 Shares corresponding to the first Calculation Period, CI-2 Shares corresponding to the second Calculation Period, etc.). At the beginning of each Calculation Period, the corresponding category of CI Shares will be activated. Each category of CI Shares will be divided into four sub-categories (i.e., for the CI-1 category: 250 CI-1 EUR, 250 CI-1 USD, 250 CI-1 GBP and 250 CI-1 CHF), each sub-category corresponding to the denomination of the various Sub-Classes. All CI Shares will be issued on the first Valuation Day following the end of the Initial Offering Period at a price corresponding to one unit of the currency of the relevant sub-category (i.e., EUR1 for each of the 2,500 EUR CI Shares, USD1 for each of the 2,500 USD CI Shares, GBP1 for each of the 2,500 GBP CI Shares and CHF1 for each of the 2,500 GBP CI Shares).
- 14.14 During a Calculation Period, the NAV of each Share of the relevant sub-category of CI Shares will be equal to the sum of the relevant issue price (i.e., EUR1, USD1, GBP 1 or CHF1) plus 1/250th of the Carried Interest payable in respect of all Sub-Classes denominated in the relevant currency over the relevant Calculation Period as accrued on each Valuation Day in accordance with Sections 14.1 to 14.12 above. CI Shares of the relevant sub-category will be automatically redeemed when the Carried Interest payable in respect of the relevant Calculation Period has been determined (i.e., generally with twenty (20) Business Days following the closing of the Calculation Period). Until its activation at the beginning of the relevant Calculation Period, the NAV of each sub-category of CI Shares will remain fixed at the relevant issue price (i.e., EUR1, USD1, GBP 1 or CHF1). For the avoidance of doubt, CI Shares will not bear a portion of any fees, expenses or Carried Interest to be borne by the Sub-fund. On or before the end of the 10th Calculation Period, new sub-categories of CI Shares can be issued to the Carry Holders in accordance with the rules set out above.

## **15. AMENDMENTS TO THIS SPECIAL SECTION**

- 15.1 Subject to regulatory approval (if necessary) and to applicable laws, the General Partner may amend the provisions of this Special Section as follows:
- (a) where the change is determined by the General Partner not to be material, upon decision of the Board; or
  - (b) where the change is determined by the General Partner to be material, only following the end of a reasonable prior notice period during which Shareholders in the Sub-fund who disagree with the changes will have the right to request the redemption of their Shares without

Redemption Fee (but provided that, for the avoidance of doubt, the terms governing redemptions as applicable in the Sub-fund will continue to govern such redemptions).

- 15.2 Investors will be notified by the General Partner of all amendments that are adopted without their consent in accordance with Section 15.1 (a) of this Special Section.
- 15.3 No variation may be made to this Section 15 without unanimous consent of all Investors.

## **16. SPECIFIC RISK FACTORS**

### **Quantitative Model Risks**

- 16.1 The trading decisions will be based on the Automated Process using mathematical models of the financial markets, the Sub-Strategies. The Automated Process relies on modelling assumptions about the future evolution of the asset price given observed variables such as economic factors or technical indicators based on price time series, volume and open interest. The profitability of the Automated Process depends upon the occurrence in the future of significant and sustained periods of time where these modelling assumptions are satisfied.
- 16.2 While the Automated Process is predominantly algorithmic and mechanical, from time to time the External AIFM may exercise discretion over trading orders. No assurance can be given that such use of discretion will enable the Sub-fund to avoid losses and in fact such use of discretion may cause the Sub-fund to forego profits which it may have otherwise earned had such discretion not been used.
- 16.3 The Automated Process may use automated order routing and execution systems in its trading. Such systems are typically provided on an "as is" basis. Such systems may experience technical difficulties, which may render them temporarily unavailable. In addition, such systems may fail to properly perform. Such failures may result in losses to the Sub-fund, for which losses the providers of such services have disclaimed all liability. In an effort to mitigate such risks, the External AIFM closely monitors trades executed through automated order routing and execution systems and the operation of the systems themselves.
- 16.4 The Automated Process is highly dependent on the proper functioning of its internal computer systems. Accordingly, systems failure, whether due to third party failures upon which such systems are dependent or the failure of the Automated Process' hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short period of time), could, in certain market conditions, cause the Sub-fund's account to experience significant trading losses or to miss opportunities for profitable trading. Additionally, any such failures could cause a temporary delay in reports to Investors.
- 16.5 The Automated Process depends to a significant degree on the receipt of timely and accurate market data from third party vendors. Any failure to receive such data in a timely manner or the receipt of inaccurate data for any reason could disrupt and adversely affect the Sub-fund's trading until such failure or inaccuracy is corrected.

### **Availability of investment strategies**

- 16.6 The success of the Sub-fund's investment activities depends on the ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Sub-fund will involve a high degree of uncertainty. No assurance can be given that the Automated Process will be able to locate suitable

investment opportunities in which to deploy all of the Sub-fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in market liquidity or the pricing inefficiency of the markets in which the Sub-fund seeks to invest, as well as other market factors, will reduce the scope for the Sub-fund's investment strategies.

- 16.7 The Sub-fund may be adversely affected by unforeseen events involving, but not limited to, such matters as changes in interest rates or the credit status of an issuer, government programmes regarding mortgage borrowings, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.